THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Gen. Chiang Kai-shek's Retirement

By C. Y. W. Meng

The Airplane-Wing Railroad-Cutting Incident!

Three Choices for U. S. Policy in China

By Edward H. Hume

Japan, Russia and Britain in China

By Dr. Suchiro Shigeo

The Glazed Kid-Leather Industry

By Geo. W. Missemer

What's Japan Doing in Manchuria

By Albert Y. Hugh

評論報 密勒氏

SATURDAY, AUGUST 27, 1927

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41-419

When tobaccos are good enough to speak for themselves

—*let them say it!*

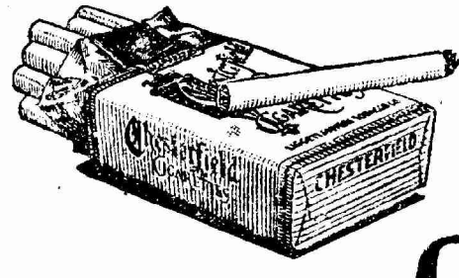
THAT'S the one way to give men what they want in a cigarette—natural tobacco taste. Each type of tobacco should contribute — one its spicy tang, one its rich aroma, one its mellow "body," one its mild sweetness; and if the quality is right and the blend is right, that's all there is to it.

Sounds easy!

But to create a blend that combines fullness with mildness; that removes heaviness while retaining "character"; that makes a cigarette that is smooth and mild yet "satisfying"—to do all this is *not* easy, far from it.

It is so difficult, in fact, that millions of smokers sincerely believe it has been achieved in only one blend in the world.

This blend—and they swear by it—belongs to Chesterfield. It embodies the finest of Turkish and American tobaccos — and it *can't be copied.*



Chesterfield

LIGGETT & MYERS TOBACCO CO.

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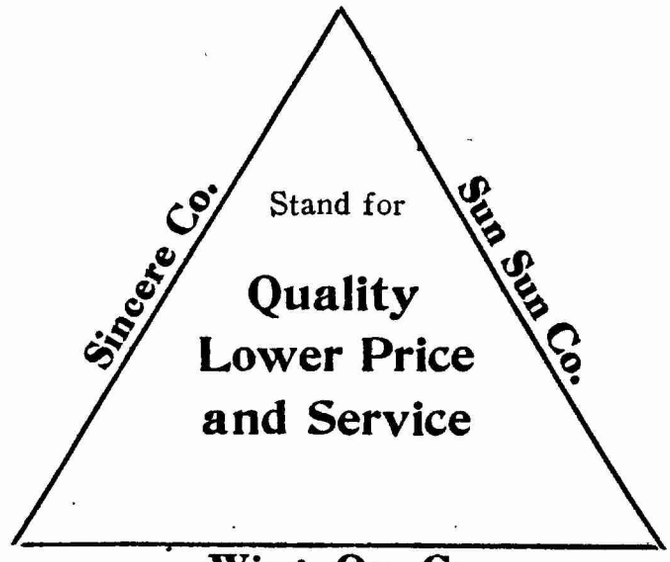
The Department Stores Deserve Their Popularity!



QUANITY!

The increase year after year of the business of the Department Stores can be ascribed to their policy of quality goods. You will be pleased with the varied assortment of quality goods on display in the Three Department Stores on Nanking Road.

PRICES!

The fact that these goods are sold at lowest possible prices enhances the popularity of the Department Stores as the best place to supply all needs.

SERVICE!

Courteous and prompt service as well as helpful suggestions make shopping at the Department Stores a real pleasure.

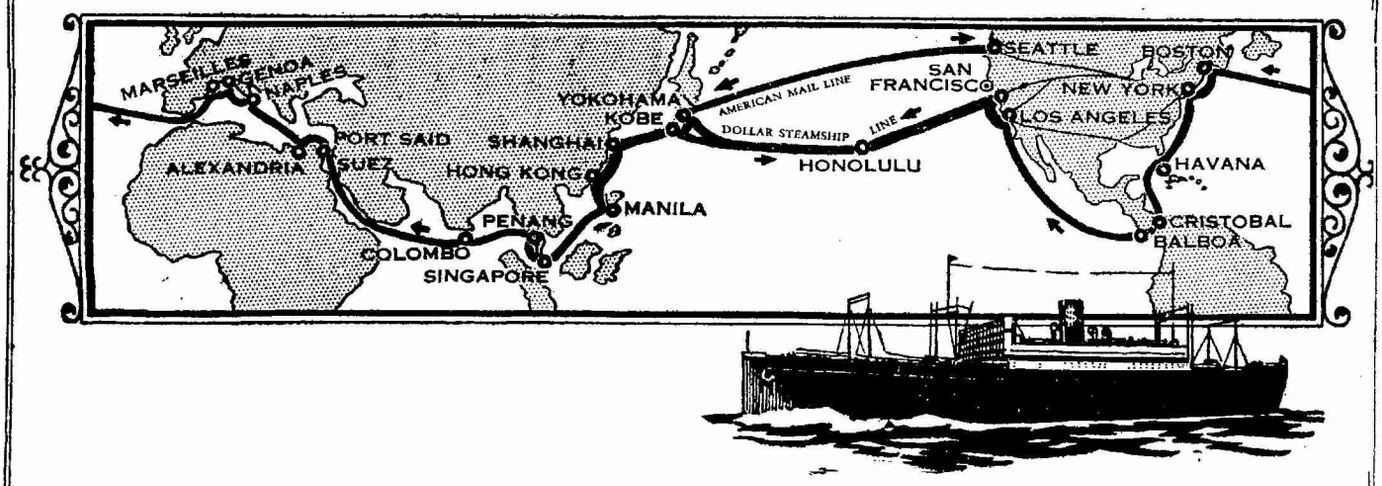
"GET THE HABIT"

Shop at

Sincere Co. Wing On Co. Sun Sun Co.

(Incorporated in Hongkong)

41-421



Seventeen President Liners And Three Services At Your Command

Never before has the Orient had such service as is now accorded by the combined fleet of American Mail and Dollar Steamship Line "PRESIDENT LINERS". A weekly sailing to America—a "PRESIDENT LINER" one week to Seattle via "The Short Route" and the following week a "PRESIDENT LINER" to San Francisco and Los Angeles via Honolulu. This is a new page in the transportation history of the Pacific.

Dollar "PRESIDENT LINERS" of the Round-the-World Fleet sail every fortnight via Hongkong, Manila, Singapore, Penang, Colombo, Suez, Alexandria, Naples, Genoa, Marseilles to Boston and New York and by way of Havana and the Panama Canal to Los Angeles and San Francisco.

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GENERAL AGENTS

BRANCH OFFICES IN ALL PRINCIPAL ORIENTAL CITIES AND ROUND THE WORLD.

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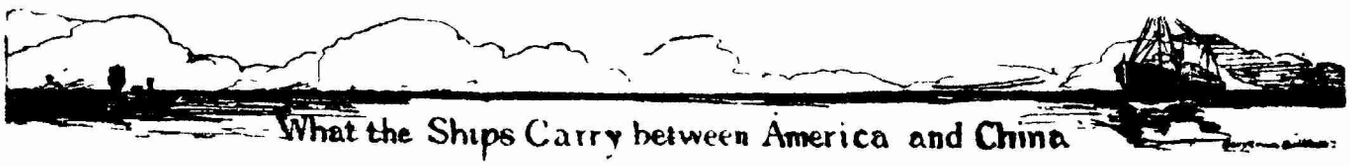

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.45 equal Gold $1

MALAYAN PRINCE, July 23. From U. S. A.

Steel Bars	Pls.	51
,, Pipes	,,	75
Iron Tubes	,,	164
,, Pipe Fittings	,,	69
Tinned Plates	,,	2,940
,, ,, Scrap	,,	379
Anti riction Metal	,,	8
Flour, Corn	,,	315
Grease	,,	7
Lampwick	,,	8
Roller Glue	,,	10
Tobacco, Leaf	,,	2,178
,, Prepared, in Tins	,,	2
Ultramarine Blue	,,	15
Alcohol	Galls.	50
Shoes, Rubber	Pairs	1,836
Motor-cars	Pcs.	2
Dyes, Aniline Pkgs. 55	Hk. Tls	2,258

PATRICK HENRY, July 26. From U. S A.

Carbon Black	Pls.	183
Cotton Raw, Amer. Bls. 4,680	,,	16,719
Flour, Corn	,,	38
Lampwick	,,	10
Leather, Calf	,,	1
Milk Sugar	,,	16
Petrolatum	,,	924
Starch	,,	6
Tobacco, Prepared	,,	19
Grease, Lubricating, Mineral	,,	56
Oil, Kerosene	Galls	49,705
Oil, Lubricating, Mineral	,,	548
,, Unclassed	,,	150
Cigarettes	Mille	100

From Philippine Islands

Alcohol,	Galls.	23,888

PRESIDENT POLK, July 27. from U. S. A.

Iron Pipe Fittings	Pls.	156
Steel Screws	,,	256
Steel, Galvanized: Wire Shorts	,,	588
Tinned Plates, Old	,,	437
Asparagus	,,	121
Butter	,,	2
Canned Fruits	,,	60
Cotton Yarn, Mercerised	,,	1
Grapes Fresh	,,	58
Hams	,,	2
Ink, Printing	,,	47
Leather, Calf	,,	5
,, Sole, Shoulders	,,	14
,, ,, other Kinds	,,	37
Malt	,,	75
Oranges, Fresh	,,	2,297
Paper, Cardboard	,,	4
,, Crated	,,	13
,, Wrapping	,,	8
,, Writing	,,	10
,, Unclassed	,,	1,552
Raisins	,,	8,9
Shrimps, Dried	,,	141
Sugar, Cube	,,	7
Tobacco, Prepared	,,	435
Motor-cars	cs.	48
Coffee	Catties	120
Lemons Fresh	Mille	20
Files	Doz	1,008
Canned Goods, Unclassed	,,	100
Cotton Shirts	,,	14
Lanterns	,,	1,700
Shoes	,,	1,880
Boots	,,	108
Dyes, Aniline Pkgs. 97	Hk Tls.	6,919
Machinery	,,	22,970
Treasure: Silver Bars	Hk Tls.	1,101,409

From Philippine Islands.

Canned Fruits	Pls.	188

PRESIDENT POLK, July 27 To Boston.

Silk, Waste, Filature: Long, Shanghai Bls. 30	Pls.	98.58
Hides, Cow	,,	863
Nutgalls	,,	3 5

To New Bedford

Silk, Waste Filature: Long, Shanghai Bls. 32	,,	98.50

To New York.

Antimony Regulus	,,	1,260
,, Crude	,,	306
Bristles, Black	,,	50
Egg Yolk, Moist	,,	2,116
Skins, Goat, Untanned	,,	218
Hides, Cow	,,	336
Nutgalls	,,	923
Oil, Wood	,,	285
Shoes, Satin	Pairs	180

To Manila.

Shirtings Grey	Pcs.	100

IKOMA MARU, July 28. From U S. A.

Bones, Cow	Pls.	19

BENGAL MARU, July 28. To Boston.

Tea, Black, other Kinds, Kiukiang	Pls.	64
Tea, Leaf, Unfired,	,,	332
Wool, Sheep's	,,	152

To New York.

Silk Pongees, Honan	,,	81.90
Tea, Green: Gunpowder, Ningpo	,,	347
Hyson,	,,	13
Young Hyson	,,	129
Tea Leaf, Unfired, other Ports	,,	1,433
Cotton, Raw Bls. 125	,,	476
Antimony Regulus	,,	840
,, Oxide	,,	436
,, Crude	,,	420
Bristles, Assorted	,,	250
Egg, Yolk, Dried	,,	217
Hides, Buffalo	,,	152
,, Cow	,,	227
Oil, Wood	,,	2,633
Skins, Rabbit	Pcs.	1,000

To Hamilton.

Tea, Black, other kinds, other Ports	Pls.	8

To Philadelphia.

Wool Sheep's	,,	182

TACOMA, July 29. from U. S A.

Oil, Lubricating Mineral	Galls	200,065

PRESIDENT CLEVELAND, July 29 To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 121	Pls.	120.22
Silk, Raw, Re-reeled: White, other Ports Bls 180	,,	183.43
Silk, Waste: Other Ports Bls 40	,,	130.60
Silk, Piece Goods	,,	2.36
Pongees, Honan	,,	29.16
Antimony, Regulus	,,	420
Egg Yolk, Dried	,,	394
Brassware	,,	48
Bristles	,,	100
Cotton, Waste	,,	102
Skins, Rabbit	Pcs.	4,686
,, Moufflon	,,	3,625
,, Wolf,	,,	100
Carpets and Rugs	Hk. Tls.	8,442

To Seattle.

Tea, Green: Gunpowder, other Ports	Pls.	11
Young Hyson, other Ports	,,	5
Bristles	,,	78
Egg Albumen, Dried	,,	38
Oil, Wood	,,	9,569
Skins, Goat, Tanned	Pcs.	5,200

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 20	,,	19.98

To Chicago.

Tea, Green: Gunpowder, other Ports	Pls.	11
Hyson, other Ports	,,	130
Young Hyson, other Ports	,,	152

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	Pls.	4.96
Silk, Raw, Re-reeled: White, other Ports Bls. 15	,,	15.05

To Houston.

Hair Human	,,	255

To Scranton, Pa.

Silk, Raw, Re-reeled: White, other Ports Bls. 10	,,	10.23

To Hamoken Pa.

Silk, Raw, Steam Filature: White, Shanghai Bls. 80	,,	79.69

To Huntingdon.

Silk Raw, Steam Filature: White, Shanghai Bls. 20	Pls.	19.92

To Portville.

Hides, Cow	,,	261

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—While the yarn market shows as yet no encouraging improvement and the spinners in general continue keeping aloof from any heavy commitments on the raw material either for near or future deliveries, yet the rates on the local staple continue evincing a firmer tendency, for which at the moment no other influencing factor is discernible than that of meagre receipts from the interior marts. The steady rise in Mid-Americans with which the Indian markets generally move in close sympathy appears at this time to be making marked impression on the minds of holders in the interior, and as their financial status shows sufficient strength, there are signs of a steady movement toward withholding the necessary fibre, to be released as and when better rates for same are more readily procurable than those prevalent at the present time.

Under the foregoing circumstances, there appears for the moment no likelihood of any retrocession in prices setting in for any extensive periods and as there are probabilities for temporary reaction taking place at any time, it therefore behooves all consumers, at such times, without the least hesitation, to take advantage of all offerings to cover their requirements before further advances in the rates set in.

Yarn:—We have no change to report in the fundamental conditions of the local yarn market, in that prices ruling are nearly the same as last week. New business for export has been booked some 7000 to 8000 bales in all counts at ruling rates.

Liverpool:—

American-Middling	10.69
American-Middling last reported	10.35
Tone of the Market, *Firm*	

Indian Market:—

Fully Good Bengal, D./J.	348
Fine Oomra, July	381
Fully Good Broach, J./A.	388
Tone of the market—*Firm*	

New York Market:—

Price of Mid-Amer.	20.00 Spot.
	19.76 Oct.
	20.01 Dec.
	20.05 Jan.
	20.23 Mar.
	20.35 May.

Tone of the market—*Firm*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	38.50
Shanghai, Spot	38.00
M. Ginned, Spot	38.25
Shensi, No. 1 Spot	39.00
Ningpo. Spot, Exwharf.	35.00

Tone of the market—*Steady*

CHINESE GOVERNMENT RAILWAYS

Shanghai-Nanking Railway Abridged Time Table.

UPWARD — **Main Line—Shanghai-North to Nanking.**

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soochow	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		20.30				6.25

DOWNWARD — **Main Line—Nanking to Shanghai-North.**

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS	Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local	STATIONS	Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp R	Local
		*	*	*	*	*			*	*	*	*			
Shanghai N. d.		8.05	9.15	13.30	15.35	18.30		Zahkou d.		7.15	9.05	13.35	15.25	17.45	
Jessfield d.		8.21	9.32	13.46	15.51	18.46		Hangchow d.		7.40	9.40	14.00	15.51	18.10	
Siccawei d.		8.27	9.40	13.53	15.58	18.53		Changan d.		8.32	11.05	15.06	17.03	19.02	
Lunghwa J. d.		8.40	10.02	14.07	16.14	19.05		Yehzah d.		9.03	12.03	15.43	17.46	19.33	
								Kashing d.	7.35	9.44	12.57	16.32	18.25	20.15	
Shanghai S. d.		8.15	9.30	13 40	15.45	18.40	19.35	Kashai d.	8.06	10.08	13.35	16.59	(a)	20.41	
Lunghwa J. a.		8.34	9.49	13.59	16.06	18.59	19.54	Sungkiang d.	9.15	11.01	14.48	17.58		21.36	
Sungkiang d.		9.20	11.00	14.53	17.08	19.45		Lunghwa J. d.	10.11	11.41	15.53	18.47		22.16	8.41
Kashai d.		10.09	12.07	15.48	18.10	20.38		Shanghai S. a.	10.30	12.00	16.12	19.07		22.35	9.00
Kashing d.	7.40	10.40	12.49	16.23	18.35	21.10									
Yehzah d.	8.25	11.14	13.40	17.03	(a)	21.44		Lunghwa J. d.	10.10	11.42	15.48	18.45		22.17	
Changan d.	9.18	11.49	14.32	17.44		22.19		Siccawei d.	10.19	11.49	15.57	18.54		22.24	
Hangchow d.	10.34	12.45	16.00	18.55		23.15		Jessfield d.	10.26	11.56	16.05	19.01		22.31	
Zahkou a.	10.50	13.00	16.25	19.10		23.30		Shanghai N. a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou — (Kiangshoo Branch Line) — Zahkou-Konzenchiao

Konzenchiao d.	7.05	9.30	11.45	13.50	17.30	21.50	Zahkou d.	8.15	10.35		15.10	18.35	22.55
Kenshangmun d.	7.21	9.48	12.01	14.10	17.46	22.06	Hangchow d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun d.	8.46	11.06	12.51	15.46	19.11	23.31
Zahkou a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

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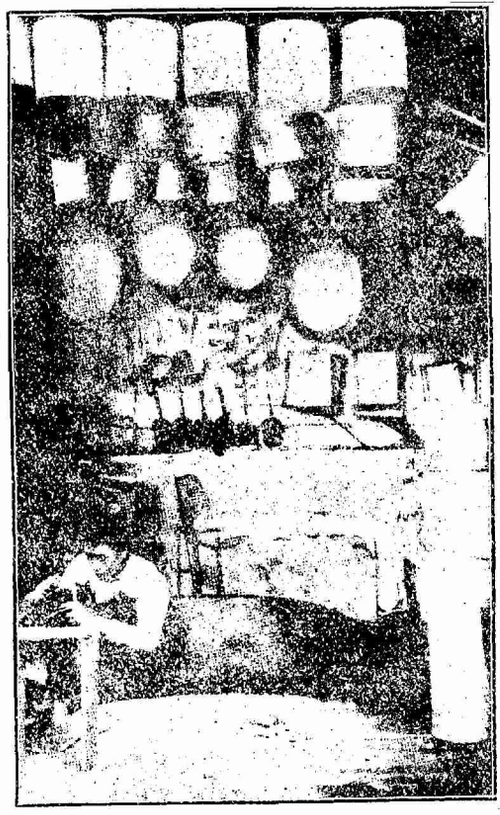

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The United States Steel Products Co.

30 Church Street, New York, N. Y.

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YUSEN, BLDG., MARUNOUCHI

TOKYO, JAPAN

密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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LAWRENCE IMPEY (Peking)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS AND FIFTY CENTS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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Colorado Building, Washington, D.C.

HAS JAPAN ANNEXED MANCHURIA?

EVIDENCE seems to point in the direction of an affirmative answer to the question asked in the heading of this paragraph. Both foreigners and Chinese familiar with conditions in China's northeastern territories believe that Japan has practically succeeded in accomplishing her major desires in respect to the making of Manchuria into a colony of Japan. In recent issues of *The Review* have appeared translations from the Japanese press in Japan and from the Japanese controlled press in Manchuria which tend to convince one that Japan has at last succeeded in putting over the Twenty-One Demands of 1915 in their entirety. The finishing touches to the picture are now being applied by the Japanese Minister, Mr. Yoshizawa, who is holding important conferences with Chinese officials in Manchuria. One high Chinese official, in discussing the question with the writer recently, made this statement: "Japan has at last succeeded in making Manchuria a Japanese colony and is now engaged in making Shantung and Chihli provinces into a second Manchuria." What he meant by this was that Japan has taken advantage of the present situation to force Marshal Chang Tso-ling to agree to the final conditions which the Japanese imperialists consider necessary for their continued control of China's Three Eastern Provinces, the most important being the right of Japanese to own land in the area on conditions similar to Japanese land-ownership rights in Korea. Other conditions which Marshal Chang is reported to have agreed to are extensions of the South Manchuria Railway and cessation of construction on certain Chinese lines which the Japanese objected to on the grounds that they interfere with the monopoly of the Japanese-owned South Manchuria line. Then still further in addition Marshal Chang has agreed to the Japanese acquisition of certain native resources in Manchuria which the Japanese consider vital to the industrial and agricultural development of their empire. Marshal Chang Tso-ling, according to fairly well authenticated evidence, has entered into these agreements in exchange for assistance in the form of money and military supplies which the Japanese have advanced in order to help Chang in his war against the Nationalists in South China. Chang has thus become the puppet of Japan in fact as well as in name. Thus, in order to gratify his personal ambitions Marshal Chang has in effect sold to the Japanese the control of the Three Eastern Provinces which Japan is now rapidly incorporating into her Empire. It is not necessary to quote documents and specific agreements, for the evidence is apparent in recent Japanese consolidation of their control and administration in Manchuria and on Marshal Chang's side the

evidence is apparent in Chang's refusal to cooperate with the Nationalists in matters vitally affecting the political and territorial autonomy of the nation, and if still further evidence is needed we have Chang's obvious connivance with the Japanese in the reoccupation of Shantung by the Japanese military forces, the purpose of which is to prevent the Nationalist movement from invading North China and interfering with Japan's interests. Therefore, in the light of evidence all too apparent, China has in effect lost Manchuria and, worse, the movement has been started to convert Shantung and Chihli provinces into Japanese spheres and also, later on we suppose, into Japanese colonies similar to Manchuria and Korea.

THE AIRPLANE-WING, RAILROAD-CUTTING INCIDENT

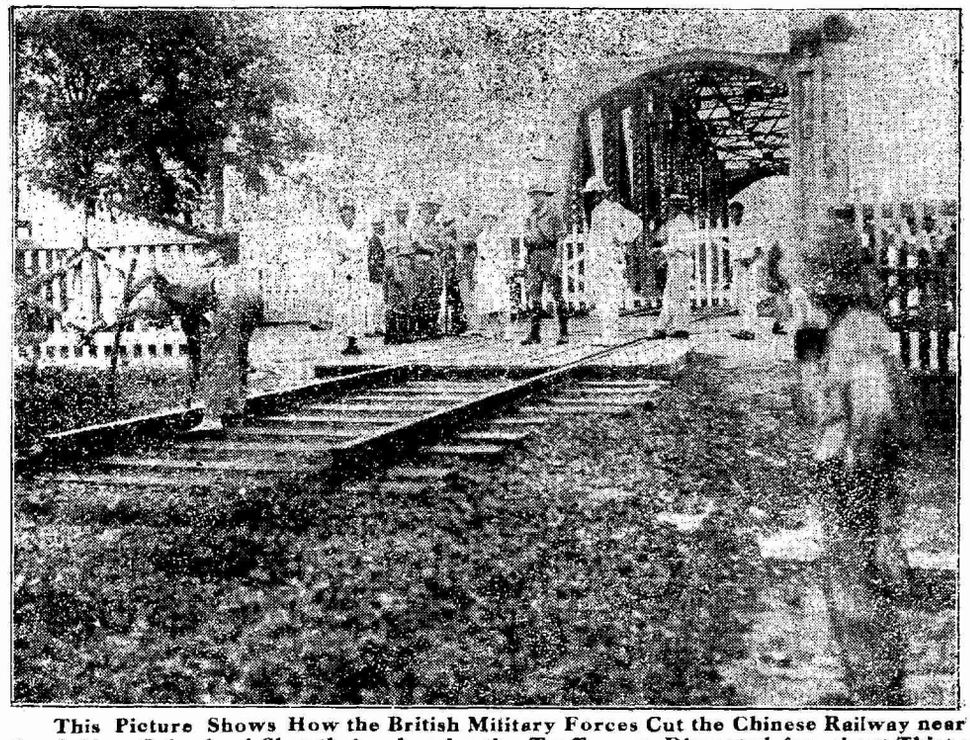
THE SINO-BRITISH, "Airplane-wing-railroad-cutting" incident has been settled. It was settled on the late evening of Thursday, August 18, through the mediation of a Japanese naval officer, Mr. Umesake, who succeeded in inducing the Chinese officer holding the airplane wings to hand them over to the British in violation of his own Government's orders, after the French had previously failed in an attempt to mediate. Just what was done and just what was said at this conference is not known, and probably will never be known, but the result was that the Chinese returned the airplane wings at about 7:30 o'clock and the British immediately got to work repairing the 60-feet of railway track they had taken up on the Chinese Government Railway connecting the Shanghai-Nanking and Shanghai-Hangchow lines at the village of Jessfield located some two miles outside the borders of the International Settlement. The British seemed to be very anxious to get the railway repaired as quickly as possible for they had a force of more than 50 Chinese and Indians on the job for two or three hours before midnight of the 18th, doing the work under artificial illumination supplied by oil lanterns and an electric search-light. By midnight the railway was open again and from outward appearances it was difficult to see where the road had been cut.

WE SUPPOSE that when Major-General C. J. Duncan, commander of the British Expeditionary forces, retires from service and writes his memoirs, that he may tell the real inside story of this curious 'flare-up' in the diplomatic relations of China and Great Britain. It is reported that General Duncan told an American newspaper correspondent that the cutting of the Chinese Government Railway by the British troops was purely a retaliatory measure for the Chinese seizure of the wings of a British army airplane which made a forced landing in Chinese territory on August 16. According to the report of General Duncan's conversation with the American newspaper correspondent, the Chinese seizure of the wings of the British army plane constituted an affront to the British Expeditionary Forces in China, hence General Duncan had nothing else to do except to act in a positive manner to maintain the dignity of the British forces. So he cut the Chinese Government Railway and disrupted all passenger and freight traffic over the line for about thirty hours, while a company of British Tommies guarded the area. The presence of a number of machine-guns and a piece of heavy artillery on the spot lent interest to the show. General Duncan is reported to have declared that the reports that the British action had a deeper significance than mere retaliation for the seizure of the airplane wings, as "groundless and absurd" and that as soon as the wings were restored he intended to repair the railroad and withdraw the troops back into the boundaries of the Settlement. An amusing phase of the incident rests in the fact that the railroad which was cut and disrupted by the British forces, is in reality largely British property through loans which were advanced for its construction and which have not yet been paid off. One of the minor British officers who was guarding the railroad on the night of August 18 seemed to sense this point for he remarked to one of the American newspapermen who was present, "I wonder what the stockholders of the railroad think of this?"

MR. QUO TAI-CHI, vice-minister of foreign affairs and concurrently commissioner of foreign affairs for the Nationalist Government at Shanghai, issued a statement through the *Kuo Min* (official) news agency on the afternoon of August 18 in which he reviewed the various protests which the Nationalist officials have lodged with the British over the flight of British army planes over Chinese territory. In reference to the cutting of the railway, Mr. Quo stated his inability to see the relationship between the seizure of the airplane wings nad the cutting of the railway, an action which the commissioner of foreign affairs considered "most high-handed and barbarous" and reserved the right to demand compensation for damages incurred through the stoppage of freight and passenger traffic. He also stated that the British Consul-General, Sir Sidney Barton, would be held responsible for "whatever other unhappy occurrences that may come about as a consequence of the present incident." This about ends the 'literary' phases of the incident excepting a statement issued to the press by the British military authorities on August 19 which stated that the "action which was taken by the General Officer Commanding, North China Command, with regard to the retention of the airplane wings by the Chinese authorities has had the desired effect—the incident was therefore, satisfactorily settled within 28 hours of the action being taken. It may be added that the attitude of the Chinese military authorities has throughout been courteous and conciliatory."

IT IS questionable, however, whether the matter has been settled so amicably as the British official reports would seem to indicate, the reason being that the Chinese are usually able to find other ways for settling scores against interests or nations which use force against them. Dr. C. C. Wu, minister of foreign affairs of the Nationalist Government, in an interview with American newspaper correspondents, is reported to have declared that while China did not have the means for coping with the British military forces here, there were other ways of settling questions and in the meantime China planned to inform the world regarding British methods in dealing with weaker nations in this part of the world. Dr. Wu meant by this, of course, that this incident will be exploited as another phase of British aggression at the expense of China, so that the British, while 'redeeming the honor of the British forces' and recovering their wings, will probably pay for the incident many times over in other ways. While the British have been careful to emphasize the fact that their action in cutting the railway was purely in retaliation for the seizure of the airplane wings and that there was no other motive, the Chinese believe otherwise and probably will continue to think so. In this connection there seems to be a prevailing belief that the British action in cutting the

railroad was for the purpose of embarassing the Nationalist military forces in their battling against Gen. Sun Chuan-fang who is trying to cross the Yangtsze at Nanking. Whether by accident or otherwise, the British action here synchronized with Gen. Sun's capture of Pukow, opposite Nanking. The British, as their official press here shows, have been most anxious for Gen. Sun Chuan-fang to return to the control of the Shanghai area and are particularly anxious for him to 'come-back' before September 1 when the Nationalist tariff autonomy program is scheduled to come into effect. Therefore, on the face of things, the cutting of the Government railroad here might have been expected to demoralize the Nationalist military forces and thus open the way for Sun's return. The British, as their official *North-China Daily News* indicates, have been expecting the Nationalist regime to break up and that it hasn't broken up has constituted a source of sincere disappointment. The scurrilous attack on Mr. Quo Tai-chi and the other Nationalist officials which appeared in the *North-China Daily News* on Friday, August 19, was an excellent exemplification of British disappointment at the failure of the Nationalists to bust up in accordance with the wishes of the local 'die-hards' who think that everything would be lovely again if only Sun Chuan-fang and the Northern militarists would 'come-back.'



This Picture Shows How the British Military Forces Cut the Chinese Railway near Jessfield, a Suburb of Shanghai, whereby the Traffic was Disrupted for about Thirty Hours. This Action was Taken by the British in Retaliation for the Chinese Seizure of the Wings of a Military Airplane which had Landed Illegally in Chinese Teritory a Short Time Previously.—Photo by N. Fukui, Shanghai.

FURTHER IMPRESSIONS ON THE DALBANK CASE!

THE DALBANK, or Russian Far Eastern Bank, was established in China with Russian money, supposedly supplied by the Soviet State. The bank is incorporated under Chinese law and has its head office in Harbin with branches in various parts of China. The chief function of the bank is the financing of Russian trade with China and other Far Eastern countries, most of the transactions having to do with tea and sugar. On July 15 the Shanghai Municipal police, accompanied by a military officer from the local defense commissioner's yamen, raided the premises of the bank and after inspecting its papers, closed and sealed the institution. At the time the raid was staged it was reported that the Dalbank was charged with financing communist activities at Hankow. After being closed for practically a month the Dalbank was reopened upon an order issued by the Chinese Provisional Court, the judge handling the case stating, "As the investigation Committee, instituted by the Government, has not found conclusive evidence to prove the charge, it is hereby decided that the charge shall be dismissed and the seal be removed from the accused bank as from today." The Dalbank is now open for business and aside from the losses and embarassment suffered through enforced closure and liquidation for the period of a month, it is again operating as usual. Mr. W. S. Fleming, the American attorney who handled the case for the Dalbank, stated in his summing up of the evidence, that a rigid inspection of the bank's books had shown nothing but commercial transactions of a legitimate character. One of the examiners who was interested in the case stated that every item on the bank's books for a period of one year had been examined and there was nothing indicative of communist activities. As a matter of fact most of the bank's activities had to do with financial transactions with a Russian-owned, British-incorporated firm, known as the Centrosoyus, a company extensively interested in the purchase, manufacture and export of China and Java tea. In addition to these transactions, there were several items showing remittances of considerable amounts of money from the Wu-han Central Bank to individuals in Shanghai, but there apparently was nothing sufficiently suspicious in these items to warrant further court proceedings, so the bank was reopened.

THE INTERESTING phase of this incident has to do with the assistance which the Shanghai Municipal Council extended to the local Chinese authorities, in raiding and searching the institution. The Nanking Government, at the time the raid was ordered, was in open opposition to the Wu-han Government on the basis of communism, so it is logical to believe that the order issued by the local military authorities was genuine. The strange part of the proceeding had to do with the readiness with which the Shanghai Municipal Council cooperated with the local Chinese authorities in raiding the bank and can only be explained on the grounds that the Shanghai Municipal Council, being British controlled, was anxious to carry out in this part of the world the war on the Soviet and its institutions which was started in London by the British Government sometime ago. It is none of our concern if Great Britain wants to wage war on the Soviet, but when the Shanghai Municipal Council grants permission and cooperates in the raiding and searching and sealing of a foreign bank located within the International

Settlement, dangerous precedents are set which may be far reaching in their consequences, the reason for this statement being that no foreign bank is safe in view of the precedent which has been set. The Shanghai Municipal Council always makes a great show of independence and flaunts its 'international' character, excepting in cases where the British Government wants something done in this part of the world. Then the Municipal Council reverts to its true character as a branch of the British Government in China and proceeds to use the Shanghai tax-payer's money, to further the ends or whims of the British Government. It is probably safe to say that 90 percent of the intelligence or espionage work and political information compiled at great expense by the Shanghai Municipal Council, is for the use of the British Government rather than for the welfare of this community. In other words the Shanghai tax-payers, Americans, Chinese and everybody else, are forced to finance espionage work in Shanghai, which is of little value to any person or any nation, excepting the British.

THE NATIONALISTS AND MISSIONARY PROPERTY

THERE IS no questioning the fact that the occupation of property belonging to foreign missionaries in China by Nationalist troops has caused a bad impression abroad. In some cases churches and school buildings have been so badly damaged that the missions will be forced to practically rebuild them when they return to their work. In practically all cases where the missionaries have abandoned their properties, the furniture and fittings have been removed and disposed of, although there are some curious exceptions. In the city of Soochow, Kiangsu, for example, while the property of one mission has been occupied the property of another mission has not been interfered with. The property which has not been molested is Soochow University of the Southern Methodist Mission. Dr. W. B. Nance, head of the University has remained in Soochow almost continuously since the occupation of this area by the Nationalist troops and has now practically succeeded in readjusting the organization of the school to meet the new conditions prevailing in China, somewhat along the line which has been adopted in the case of Canton Christian College referred to in a recent issue of *The Review*. One of the problems which the Nationalists have had, incidental to the evacuation of mission properties, has been due to the failure of missionaries to return to their stations and resume their work. Soldiers are no respecters of vacant property, regardless of whether it is in China or elsewhere. Exactly similar conditions prevailed in France during the world war when considerable friction developed as a result of the occupation of French property, including churches and schools by the American and other foreign troops. For example when an army marches into a town and there is no other place to sleep we know of no human power up to the present which has been able to prevent them from occupying vacant property, church or otherwise. This is particularly true if the weather happens to be bad. In China the Christian missionaries have not been the only sufferers, for Chinese temples have also been occupied and in many cases looted of their treasures. In Soochow practically every Buddhist temple is occupied by troops, in one case the head priest reporting that the soldiers had converted one of the temples into a gambling and opium-smoking den. Here at Shanghai the old temple at Lunghwa is occupied as a barracks by Nationalist soldiers, just as it was occupied previously by the troops of Sun Chuan-fang. In North China, Marshal Chang Tso-ling has made a great point of the fact that his troops have respected foreign mission property, but they have not respected Chinese temples, practically all of which are occupied. Probably the reason Marshal Chang's troops have not occupied mission property is due to the fact that he has greater financial resource than the Southerners and has been able to supply his soldiers with tents. It would require considerable imagination to believe that there is any fundamental difference between the Northern and Southern troops in this regard. Just now Marshal Chang Tso-ling finds it politic to curry favor with the foreigners, so he manages in one way or another to keep his troops out of mission property. If Chang happened to be in circumstances similar to that of the Southerners his troops probobly would occupy mission property just as the Southerners do. There can be little questioning the accuracy of this statement. The occupation of mission or other foreign property by troops is of course bad and has created an unfortunate impression abroad in respect to the Nationalists and they should realize this and rectify it as soon as possible. In the meantime they could improve their position greatly if they would notify the foreign missionaries unqualifiedly of their intentions to make good financially for all of the damage which their troops have caused to property which does not belong to them.

ADMIRAL BRISTOL TO ARRIVE EARLY IN SEPTEMBER

ADMIRAL MARK L. BRISTOL, who has been appointed to the command of the American fleet in China waters is scheduled to arrive in Shanghai from France by the French mail liner *Athos* September 1, which is a matter of special interest for Americans and Chinese, because Admiral Bristol is both an Admiral and a diplomat. For the past eight years he has served as American High Commissioner to Turkey, being appointed originally when the United States had no diplomatic relations with the Angora Government. He gained the confidence of the Turks through his sympathetic regard for their problems following the establishment of the Turkish Republic and largely due to his efforts a strong friendship between Turkey and America has resulted. He is said to have become the most influential representative of any of the great powers in the Near East, although occupying an anomalous post as High Commissioner and Rear Admiral in the U. S. Navy. His job as High Commissioner ended when the U. S. Senate ratified the Turkish treaty which he negotiated with the Turkish Government, so it was most fitting that the United States should promote him to the rank of Admiral and send him to the China station where problems exist not greatly different from those previously existing in Turkey, at least from the standpoint of Chinese-American relations. For these reasons it is to be regretted (although not unexpected) that the *North-China Daily News*, the official British newspaper here in Shanghai, should be starting its usual campaign of abuse against the new American Admiral, even before he arrives. On August 19, the *N. C. D. N.* published an anonymous letter which contained the statement, "It will be remembered that this doughty admiral in Turkey, instead of handling his guns, went into diplomacy, and is responsible for that treaty which has made missionary work in Turkey an almost impossibility—

What does this presage? Is there to be diplomacy here apart from the Diplomatic Corps in Peking?" Then on August 22 another anonymous letter signed by "Fascist" also appeared in the official British paper here commenting on Admiral Bristol. We suppose that by the time the Admiral arrives the *N. C. D. N.* will be running full columns of criticism and all because Admiral Bristol succeeded in negotiating an 'equal' treaty between the United States and Turkey which, while satisfactory to Turkey and America, apparently is not satisfactory to Great Britain, or at least to the little group of British 'die-hards' who control the policy of their official organ here in Shanghai.

THE FAR EASTERN OLYMPIC GAMES

THE Chinese, Filipino and Japanese teams that are to take part in the Far Eastern Olympic Games to be held in Shanghai, August 27 to Sept. 3, have been busily engaged in practising, and the eight championships to be contested, most of them in the American Pioneer Athletic Field, French Concession, are evoking the greatest interest, not only among the Chinese, but also among the fairly large Japanese and Chinese colonies resident here. The increasing interest which the people of the Far East are taking in sporting events is the best evidence that they are being aroused from the lethargy of centuries. Neither the Chinese nor the Filipinos of a generation ago took any particular interest in sports, and we all know the story of the official of the old days who, when he was asked by a missionary to play a game of tennis, called one of his servants, remarking that he kept servants for the express purpose of having them attend to all work requiring physical exertion. It is interesting to note that the games which make up the program are of the most active kind. For example, the more leisurely game of English cricket is not on the list, but in its stead the more strenuous American game of baseball. Even in sports it would appear that American ideas are gradually supplanting British ideas in the Far East.

THE countries of China, the Philippines and Japan are represented in these Olympic Games. Each country has a natural aptitude for certain games. To mention baseball first. Under ordinary circumstances this is not a game in which the Chinese excel. But in this year's Olympic something special has been prepared. China is being represented by the Honolulu All-Chinese baseball nine. This Honolulu Chinese team has previously beaten the Manila All-Stars and it has hopes of defeating the Japanese nine, which is a very strong one. The Chinese and Filipinos will probably show up best in basketball and volley ball. The Japanese, it is almost certain, will come out first in swimming and tennis. In football the Chinese are easily superior to either the Japanese or Filipinos. In the track and field events the chances are in favor of the Filipinos. The Olympic games are held every two years, the first having been held in 1913. The Chinese have come out first one time, the Filipinos four times and the Japanese twice.

The championships and their winners during the previous seven events were as follows:

1913, at Manila, won by the Philippines.
1915, at Peking, won by China.
1917, at Tokio, won by Japan.
1919, at Manila, won by the Philippines.
1921, at Shanghai, won by the Philippines.
1923, at Osaka, won by Japan.
1925, at Manila, won by the Philippines.

To See the Sights of America

Mrs. Chiang Kai-shek (center), wife of the former Generalissimo of the Nationalist forces, sailed on the Dollar Line steamer *President Jackson* for America where she will spend a year in travel. The two Chinese ladies standing with her in the picture are Misses Helen (left) and Theresa (right) Tsiang. They are accompanying Madame Chiang on her trip. The picture was taken by Mr. Merl LaVoy.

The New China Tariff and American Policy

(*New Republic, N. Y., July 27*)

The Nanking Nationalist government has put in force at Shanghai certain new tariff schedules which call forth bitter denunciation from foreign business men, and echoing protests from United States Consul General Cunningham. The effect of these taxes, in his opinion, is confiscatory. Congressman L. C. Dyer of Missouri, at present in Shanghai, has conferred with Consul General Cunningham, and, as reported by the New York *Sun*, takes the view that "unless the United States recognizes the Nanking government or *forcibly restores the old treaty provisions* (italics ours) United States trade with China is doomed to extinction." When we turn to the duties in question, it appears that they consist in additions to the regular 5 percent, of an import surtax of 2.5 percent, an export surtax of 2.5 percent, a luxury import tax of 2.5 percent, an increase of a dollar per ton on coal imports, of 50 percent on cigarettes and tobacco, of 30 percent on ship tonnage levies, and, after September 1., a 12.5 percent additional import tax, and 30 percent on luxuries. It is probably true that the new tariff is put in force without sufficient notice; but it must be remembered that the necessities of the Nanking government are very urgent. "No real government," Mr. Cunningham is quoted as saying, "would be guilty of insane taxes such as the Nanking government is seeking to enforce without prior notice enabling merchants to make readjustments." On the contrary, if Mr. Cunningham will consult the tariff history of his own government and notice the rapidity with which new schedules have been put in force to prevent importers from laying in long stocks at the lower rate, and in particular will compare the present tariff schedules of the United States with those proposed for Shanghai, he will conclude that the Nanking government is behaving very much like a real government.

New Journal at Tsingtao

The China Sphere is the name of a well printed weekly journal recently started at Tsingtao. The managing editor is Wm. M. Cornwell, who some years back edited the *Chefoo Daily News*. Mr. Cornwell is a China-born boy who thoroughly understands the general Chinese viewpoint, and is in sympathy with it. The *Sphere* in its initial number states that many excellent qualities among the Chinese are overlooked through destructive criticism, and that it will be the aim of the paper to bring before the public more of the better traits of the Chinese.

Has the Oil War Been Compromised?

In recent issues of *The Review* there have appeared references to a threatened disruption of amity among the American and British oil companies, due to the signing of contracts by the Standard Oil Company of New York with the Soviet Government whereby the American firm has been given a practical monopoly of the distribution of Soviet-producted oil in the Near East and in India. In consideration of these contracts it was reported that the Standard Oil Company of New York had agreed to lend the Soviet Government G. $75,000,000.

As a result of these negotiations between the Standard Oil Company of New York and the Soviet Oil Monopoly Bureau, the British oil interests were tremendously wrought up and *Reuters*, the British news service, sent several cables to the Far East which quoted officials of the British Royal Dutch Shell Company as making rather spirited attacks on the American oil interests for negotiating contracts with the 'immoral' Soviet Government.

Now, however, it appears that some sort of compromise has been reached, for a Paris dispatch in the *Chicago Tribune* on July 28 stated that "any differences which have arisen by reason of the Standard Oil Company of New York's purchase of Russian oil, will be peacefully ironed out. The New York company has no intention of invading fields in which Royal Dutch is now dominant."

The same dispatch in the *Tribune* quoted Walter Teagle, president of the Standard Oil Company of New Jersey as stating that "as a separate company, free of all influence of the parent concern, the Standard Oil Company of New York had a right to make any foreign purchases it saw fit." This statement by Mr. Teagle is of interest in view of the *Reuter* dispatch which quoted him as opposing the making of contracts with the Soviet Government, "until the Soviet formally recognized the private property rights acquired by the Royal Dutch Shell and American companies during the czarist regime."

Walter Teagle, president of the Standard Oil Company of New Jersey and Sir Henri Wilhelm Deterding, director-general of the Royal Dutch and Shell Oil Company, held a conference in the office of the American company in Paris on July 28 at which time the matter of purchasing Soviet oil was considered.

British Shipping Strike Still Continues

"Sailings temporaily suspended." This announcement under the heading of "Sailings for Northern Ports," "Sailings for Southern Ports," "Sailings for Ningpo" in the advertisements of the China Navigation Co., the largest shipping concern in the Far East, for which Butterfield & Swire are agents, lets the world at large know that the strike which was inaugurated more than two months ago by the officers in the employ of the Company is still in force. The point at issue between the Company and the men is whether the Company will abide by an agreement entered into during the war, negotiated by the late Sir Everard Fraser, then British Consul General in Shanghai, whereby disputes as to wages are to be referred to arbitration. There is a dispute as to wages and the Company refuses to arbitrate; hence the strike. In the meantime the China Navigation' Co.'s business has been diverted to Japanese, Chinese and one other British line.

The publicity committee of the striking officers in a public letter recently drew attention to the fact that the China Navigation Co. is operating vessels (under the British flag) with Chinese engineers who are not certificated under the British Merchants Shipping Act.

Death of Mrs. John Dewey

According to an article appearing in the *Chicago Tribune* for July 15, Mrs. John Dewey, wife of Prof. John Dewey of Columbia University, New York, died in New York on Wednesday, July 13. Mrs. Dewey, who was prominent in educational work in America, accompanied her husband to China several years ago when Dr. Dewey lectured for several months at the various Chinese universities. She assisted her husband in the founding of the experimental school of the University of Chicago and for two years was principal of the elementary department. She is survived by Dr. Dewey and four children.

Why Chiang Kai-shek Retired

BY C. Y. W. MENG

A POLITICAL party is merely a group of individuals whose opinions are not necessarily unanimous; differences in advocacy are always inevitable. History has told us that many a time differences of opinion or advocacy become so great, that a split of the party or a complete collapse of the party may result. Such differences may be settled by a compromise, or they may be decided by actual fighting. This happens in all civilized nations in the world, the only difference being the process of the struggle. In other words, a struggle within a party is only a political phenomenon.

In a country like China where the political experiences of the people are very meagre, such a struggle either between two parties or within one party assumes a grave aspect. The split of the Kuomintang into two factions at this critical time is unfortunate, but it is merely an inevitable consequence as a result of its huge membership.

For the past sixteen years in China, in case of a party dispute, it has always been the last process—that is, by means of war—that was employed by the Chinese politicians in their party struggles. Where is there another man who has been willing to give up his bloody-fought post and voluntarily retire to private life, for no other reason except for the preservation of the party and the salvation of the country from further bloody internecine warfare? That for sixteen years, the civil war has been going on uninterruptedly in China is just because such a spirit has been lacking. General Chiang's retirement sets the first example of this kind! His retirement is being praised as an act of unexemplified heroism!

Causes of His Retirement

The act of the Nationalist Generalissimo, though it is an act of unexemplified heroism, has undoubtedly surprised and dismayed most people, especially sympathizers of the Nationalist movement, who could not but burst into tears to see such a great leader, after having rendered so much service to party and country, retire to private life; but at the same time, they can not but wonder why such a leader who is so much needed by China today should retire at such a critical moment.

It might be presumed that his retirement was in compliance with the Hankow demand. It might be said that his retirement was forced by General Feng Yu-hsiang. There are many other presentations. But be it one or the other, the truth lies in the fact that the necessity and expediency of the situation have probably demanded his retirement.

That General Chiang at last resolved to retire is due to his realization that so long as the Kuomintang is internally divided, the Northern punitive expedition can not be accomplished within a short time, if it does not collapse altogether. So long as Nanking and Hankow stand on the opposite sides, neither one of them is any match for Fengtien. So long as Nanking and Hankow keep on regarding each other as bitter enemies, General Feng Yu-hsiang can not advance further than his own territory. So long as the future prospect of the revolutionary movement is dark, General Yen Shih-san of Shansi—a man who is destined to play a great part in the final battle in the north—will never act, either in helping the Nationalists or launching any attack upon the Fengtien faction. So long as General Yen remains inactive, Fengtien has hopes of being saved.

Further, it is impossible for the Nationalists to fight against Fengtien while the rear is being attacked by Hankow. The fall of Hsuchowfu, and the rapid military progress of the Northerners, has not been due to the superior military qualities of the Northerners but was due to the withdrawal of the Nationalist troops from Kiangsi and Hankow. It is equally impossible for either Chiang or Feng to fight alone against Fengtien. Their cooperation means a deadly blow to Fengtien, but their non-cooperation gives them a much easier time. But it is impossible for these to cooperate, though this was agreed upon at the Hsuchowfu Conference, so long as the Hankow question is pending. Both Chiang and Feng have realized this. In his telegram dated July 14 proposing a conference to settle the dispute between Nanking and Hankow, General Feng pointed out clearly that the disruption of the Kuomintang had the effect of affording a chance to the militarists to regain their strength for a fresh battle against the Nationalists. This explains why General Feng has been so enthusiastic to be the mediator—a hard job!

No Other Alternative

The expediency of the situation demanding for some readjustment of relations between Nanking and Hankow is also fully realized by the Hankow men. That the Hankow government at last decided to sever relations with the Com-

munists, Borodin, and his followers, being at last driven out, and further, and also consented to the removal of the capital to Nanking—a very significant fact—(Refer to the telegram issued by General Tang San-chi and three others) shows that the Hankow men have fully realized the necessity of renewing their friendship with the Nanking party. In fact, both Nanking and Hankow have faced no other alternatives than either to be defeated by Fengtien, or to combine to fight against the common enemy. Then, it is clear that the necessity and expediency of the present situation has already warned the two parties that it is better for them to reunite for the salvation of both.

As the Hankow men have all severed relations with the Communists, and Borodin and his followers have all been sent away—these being the demands of the Nanking side—observers should see that under such cricumstances, Nanking is too willing to come to a compromise with Hankow. But inasmuch as Hankow has done its part, Nanking has to show some signs of conciliation towards Hankow. General Chiang's retirement just served this purpose. In fact, his retirement is not pressed. In reply to General Feng's telegram for a conference, Wang Ching-wei, an enemy of General Chiang, and three others, said: "What we are aiming at is to down our enemy. With regard to the proposed conference, it meets our hearty approval. As to the personality question (it means General Chiang), it is an immaterial question."

But on the other hand, though his retirement is not demanded or pressed, it is more or less necessary for General Chiang to retire in order to show to Hankow the sincerity of the Nanking faction for a reunion. This act, to be sure, is more than satisfactory, is most impressive to the Hankow men, and will eventually have a smoother way for a future conference.

Lastly, we believe that General Chiang's retirement was not in any way forced by General Feng. In fact, as events show, General Feng has more affiliation with Nanking rather than Hankow. If he comes out to be the mediator it is with the hope of a union of these factions, so as to put him in a better position to fight against Fengtien, his bitter enemy. In his telegram urging General Chiang to come back, General Feng said: "You (General Chiang) are the pillar of China today! Upon You, China as well as the party rests her hope of salvation!" Further, he said: "Should you disregard all these, and insist on retiring I, Yu-hsaing, can not but do the same." Refer to his telegram appearing August 17 in Chinese newspapers). This shows at least provisionally that General Feng is bona fide in his proposal, with no intention to gain his ends at the sacrifice of General Chiang.

Significance of the Retirement

As soon as Hankow decided to cut off from the Communists, and General Chiang voluntarily retired, the split of the party came to an end. It is again a solidified party, fighting for the same cause.

So long as Nanking and Hankow are quarreling among each other, Fengtien is saved. But once they unite, it means a deadly blow to them. It is reported in the Chinese newspapers that Tang San-chi, Wang Ching-wei, Chang Fa-hwei (all Hankow men) have all arrived at Kiukiang, and Generals Ho Ing-ching, Pei Tsung-hsi, Li Tsung-jen (all Nanking men) will meet them for a conference in that place. General Li Chi-ching of the south who has been fighting against communists in the south of Kiangsi and once the enemy of Generals Tang San-chi and Chang Fa-hwei, has been said to have arrived at Shanghai to meet the representative of General Chang Fa-hwei. In other words, only a few days ago they were fighting against each other, as General Chang Fa-hwei was fighting against General Chiang from Kiangsi and General Tang San-chi was fighting General Li Chi-ching in Honan, but now they lay down their arms for a conference for the renewal of the friendship. This "great compromise of 1927" will no doubt result in a united action again Fengtien—a common enemy to both Hankow and Nanking!

General Yen Must Now Act!

The Hsuchowfu conference, as it was predicted by the writer, should have involved a change of attitude of General Yen of Shansi but that the Conference failed to produce this effect was due to the recent quarrel between Nanking and Hankow. As Nanking has been much weakened because it was facing two enemies at the same time and the Fengtienites have regained much of their former strength, General Yen has to remain inactive as if there were no war at all. General Yen will act only when he is sure that the Nationalists are able to defeat the Fengtienites, the reason being that it is easy for him to defeat the Fengtienites but it is equally easy for him to be defeated by Fengtienites, should he receive no help from outside. But the union of Nanking and Hankow gives him courage to take some action. He has now to decide to which side he should cast his lot. That General Yen is going to play an important part in the coming battle is also realized by Chang Tso-ling, who, according to a recent telegram, sent a succession of delegates to Shansi begging for cooperation against General Feng. But in view of his present attitude, he is not likely to be deceived by the Manchurian warlord. He may well march to Peking through Kalgan when union between Nanking and Hankow is declared.

No Fear for Communism

The retirement of General Chiang has saved the whole situation. But to some "diehards" it is not something to be gratified with, for they fear that by the wholesale resignation of the Nanking Government, it means the return to power of the Communists. But it is to be remembered that the reason why General Chiang did not resign earlier, but now, was because it was only till a few days ago that the Hankow Government manifested its anti-Communistic policy. He resigned because he knew the Hankow men had turned face against Communists. General Chiang might well return to power should the Hankow men subsequently change their minds. This is stated in his parting manisfests. Further, visitors from Hupeh, Honan and Kiangsi have told us that the Hankow men have adopted very drastic steps toward the Communists. The writer has received letters from his friends in Kiukiang telling that twenty-six Communists are executed per day, by General Ho Chun. And letters from friends in Honan and Hupeh have told us that labor unions and agitators' activities in these two provinces are suppressed. In other words, no fear needs be entertained.

No Change of Foreign Policy

The untimely occurrence of this surprising event may have some effect upon China's declaration of tariff autonomy which is to be put into force on September 1. The imperialistic nations are losing no time to grasp this event as a golden chance to deny China her right by pointing out that the Chinese government has again been changed. Telegrams from Tokyo state that the tariff question ends with the retirement of General Chiang. But let it be known that, Nanking or Hankow in power, they are members of the same party. They will not depart from the well formulated policy of the party of "down with militarism and imperialism," to abrogate unequal treaties, to regain tariff autonomy, to abolish extraterritoriality. Those are the mottoes of the Chinese revolution just as Equality, Liberty, and Fraternity were mottoes of the French Revolution. The Chinese revolutionists will fight to the end.

Conclusion

General Chiang's retirement undoubtedly has aroused the sympathetic feeling of most people, and probably it is something to be admired, yet it is something with which to be grieved. But in view of the good consequences that will naturally follow his retirement, namely, the re-union of two opposing parties of the Kuomintang, and a united front against the Fengtienites, General Chiang is justified in retiring although his action is subject to bitter criticism on the score of its being ill-timed.

Whom Does Mr. Rea Represent?

(From the Hankow (China) Herald, American Paper.)

In their editorial of last Saturday, under the caption of "The Devil and the Deep", the local *Central China Post* concludes a complimentary statement of the present activities of Mr. George Bronson Rea by saying, "Mr George Bronson Rea's present purpose vividly illustrates that this fundamental fact is at last realised, and we wish him every success on the tour he has undertaken as the delegate of the American Chambers of Commerce in China".

According to the editorial above mentioned, Mr. Rea, who is publisher of the *Far Eastern Review* of Shanghai, is on a tour somewhere telling "the truth about China". From the editorial, it might seem that he is in the United States delivering a series of lectures, but since he is quoted as telling a group of business men that "The fundamental open door policy for the protection of our trade in China has become subordinated to our uplift activities, which represent £16.000,000 or more than half the American investment in China."—it seems rather incongruous. To talk to Americans in figures of Pounds Sterling would be as unnatural as endeavoring to impress an English audience by calculations in milreis or lira.

Aside from helping to further the popular misconception of the Hay "Open Door" Policy, which is a policy of International Restraint with regard to China, and not a policy of International Aggression, so far Mr. Rea is not quoted as having said anything particularly opposed to American opinion in Hankow. But if Mr. Rea in his publication has intimated in any way that he represents the "American chambers of Commerce in China" in a series of lectures or writings abroad, then his statement to that effect is misleading and untrue. He may represent the American Chamber of Commerce of Shanghai—he may represent the Shanghai Municipal Council—he may merely represent himself, or the *Far Eastern Review*—but certainly he does not represent the "American Chambers of Commerce of China", and it would be interesting to learn how the *Central China Post* has conceived the idea that he does.

What Is Japan Doing In Manchuria?

BY ALBERT Y. HUGH

It is quite clear that the principle of "might is right" still governs our international relations. We don't have to go very far into history to find out how this principle works, as its operation is a matter of common everyday affair, especially in the relations between the stronger and weaker states. Japan has constantly employed this principle in her dealings with her neighbors during the past thirty years, beginning with the annexation of the Liu Kiu Islands, Formosa, Korea, the Kwantung Leasehold of Southern Manchuria, through the presenting of the "Twenty-one Demands," and the recent sending of troops to Shantung. These are all activities based upon this principle of force.

We don't feel like accusing Japan for any wrongful acts unless she herself shows the world what she has done. In this connection we may ask this question: "By what law, what principle, or what treaty has Japan the right to send troops to Tsingtao recently? Well, she may find some excuse or justification for her unlawful acts. But whether her justification is valid or not is another question. Her acts simply make the world suspect that she is not honest and sincere in her international dealings.

The Chinese papers reported that the Japanese troops not only went to Tsingtao, but to Tsinan and even South of Tsinan and some of them had joined the ranks of Chang Tsung-chang's army. Other reports stated that Japan even have gone so far as to suggest to the Northern Commanders that she would help them to suppress the Nationalists provided they would let her occupy Tsingtao as a leasehold. How true these reports are we do not know, but we are waiting for verification to the contrary, or otherwise. However, time will tell it.

The Japanese Demands

Besides the sending of troops to Tsingtao, Japan has recently called a conference at Dairen for the settlement of certain Japanese demands to be pressed upon China. The Chinese papers reported the following points as the topics for discussion during the conference, viz.,

1. To demand the right of permanent ownership of land for the Japanese subjects. In exchange for this right Japan is willing to abolish her right of extraterritoriality in Manchuria, and in case of refusal by the Chinese authorities, then she will demand that the present system of leaseholds be equivalent to the same status as permanent ownership.

2. To press on the Chinese government to restrict the Peking-Mukden Railroad from extending its lines any further north than its present destination at Mukden. This second point also includes a demand on the Chinese government to agree not to build any railroad through central Manchuria parallel with the South Manchurian Railroad.

3. To establish certain large steel and iron plants in Manchuria in order to produce the necessary products for all the Manchurian railroads and factories.

4. The enforcement of the "Twenty-one Demands" with Manchuria as the starting basis, and at the same time to appoint the following officers for the various places throughout China as a preparation for the enforcement of the "Twenty-One Demands:" (a) a commercial officer, a secretary, and a managerial officer for Mukden; (b) a shipping officer, whose duty will be to look after the Japanese shipping interests, at Tientsin and Tsingtao; (c) a shipping officer and a superintendent of factories at Shanghai; (d) an officer of industries at Hankow and Tsinan; (e) an additional commercial consul at Hongkong; (f) an inspector of weights and measures.

Support for Chang Tso-ling

The reports also stated that all these points will be presented to the Chinese authorities for acceptance in case of necessity, and certain other points need not even be presented to the Chinese government. Should the Chinese refuse to recognize these points then certain pressure would be brought to bear upon the Chinese government for their recognition. It is also reported that certain inducements will be given to Chang Tso-ling for his acceptance of these points, and that these inducements consist of material and financial support, and in case of necessity even man power, for his campaign against the Southern Nationalists.

Certain Chinese press reports also stated that simultaneous with the Dairen Conference there are official negotiations going on in Moscow with the Soviet authorities concerning the joint-division of interests between these two states in both Manchuria and Mongolia. The reports stated that the following points are under negotiation in Moscow:

1. A uniform tariff rate among the South Manchurian, the Chinese Eastern, and the Ussuri Railroads.

2. The extension of the Taonan-Tsitsihar Railroad.

3. The plan of Soviet-Japanese economic co-operation in North Manchuria.

4. The recognition of the Sovietization of Outer Mongolia by Japan.

A formal conference concerning the details of the above mentioned points will be called by the two states concerned in the near future.

There is no doubt that Japan will busy herself with the execution of the above mentioned points in the near future. It would be interesting to note what the Peking as well as the Nationalist Governments should do in this regard, especially those militarists whose own interests are at stake.

Shanghai, Aug. 22, 1927.

Three Choices For U. S. In China Policy

BY EDWARD H. HUME

(Reprinted from the Baltimore Sun)

AT a moment like the present one, when China news is off the front page of the daily papers, we do well to take stock of the situation. The question is not merely what is happening in China, but rather, for Americans, what is devoloping in the relations between this country and China.

The cynic is ever with us, saying that the Chinese are up to old tricks again, allying themselves in one way today and realigning themselves in another way tomorrow; or asserting that there is sure to emerge a status in which China will attempt to play off one foreign power against another for her own gain.

Julean Arnold, the ever-alert representative of American commerce in Peking, has told us during the past week how American trade actually gained in China during the first few months of 1927, in spite of all the disturbed conditions; gained, while the trade of Britain and of Japan lost by an appreciable percentage. There is no cause for dissatisfaction in the field of commerce.

Senator Bingham telegraphs to the President urging that the American consul, Mr. Davis, be allowed to return to Nanking, as conditions there appear to be safe; the Japanese consul has returned and the British are preparing to send their consul there again. Safety for our citizens is steadily increasing. So far, so good.

What, then, is there for America to do at the present juncture? If Britain is concerned to do something, that is her business; and, besides, she is subject to greater attack, more violent criticism, from all sides in China. As for us, our trade is improving, our citizens are going to be reasonably safe.

Why not wait till China's disorders subside a bit, and until there has appeared greater unity in the Government of China, and then take such action in regard to treaties and to such matters as tariff autonomy, etc., as shall prove wise and expedient? As a matter of fact, this sort of inaction is advocated today by a great many Americans who honestly desire that China and America shall be good friends. There is always something to be said for a policy that is innocuous.

But China is in revolt! Not to grasp this is to miss the whole meaning of the events that have been so dramatic during the past year, and for which preparation has been going on without ceasing ever since the turn of the century—and even earlier. The issue at a time of such nation-wide upheaval is not merely how to do the thing that is safe but how to press forward with constructive measures.

For America the primary question is not merely how to safeguard the lives of her citizens, important though that national duty be, but rather how to cooperate with the constructive elements in China to bring about order and how to build such relationships now as shall yield friendship and permanent satisfaction in the days ahead.

Nothing could be more of the essence of statesmanship at such a time than the spirit of the editorial in the *Spectator* (London, May 28, 1927), entitled "China—The Next Step." The writer frankly admits that the American position in China is stronger than that of Britain, but his primary concern is not to alter that fact. His primary concern for England is that throughout China confidence in England should be restored, that England's trade leadership should be resecured, and that England should once more take that position of influence in the Far East which will enable her to give service in the momentous issues that are already arising there, political, economical and social.

The problem that confronts America at the moment is very much the one that the *Spectator* points out as the essential one for England. And the three alternative approaches to the

solution of the problem that the *Spectator* suggests are the very ones that we must choose between. These are: the big stick, the maintenance of the *status quo* and negotiation. All three have their advocates among American students of the China picture.

Americans who have had China's interests at heart for many years, among them missionaries as well as merchants, write to their home organizations insisting that there are but two outcomes possible in China—one the utter running down of the land into complete chaos, and the other the abundant use of force. I have such a letter at hand as I write.

But, quite apart from the effect on our permanent relations with China of such a decision to use force, what government, either in Britain or the United States, is going to vote the appropriations that would be required truly to maintain the big stick in China, particularly at a time when the country, far and wide, is endeavoring to introduce an understanding of democracy, and will, given time, work out for itself a form of government adapted to its own needs?

Everything that Americans desire in China, whether cultural relations that will permit the continuance of schools and hospitals or trade relations that will improve and be extended year by year, would be in danger of complete and permanent extinction if at this time a policy of force were to be elected. Fortunately for America, the President has made it clear that he is unwilling to consider any such alternative, and the recent actions of the State Department add to the general confidence that we shall not become involved in any such direction.

The maintenance of the *status quo*, or rather the wait-and-see policy, has many supporters. A great many still speak with feeling of the "outrages at Nanking" and the "insulting replies of Eugene." It is undoubtely true that the American Consulate-General in Nanking was, in a diplomatic sense, outraged. Mr. Chen did not answer in the way some Americans would have desired. To wait till all these ills are set right, however, would be again to proceed as if we did not realize the fact of revolution in China.

It is becoming increasingly clear that the Nanking affair was not planned by the leaders of the Nationalist movement, but that it was a vicious, selfish and retaliatory act on the part of one or more subordinate generals who were disgruntled at failing to receive the promotion they hoped for after the capture of Wuchang in October last, and who hoped to discredit Gen. Chiang Kai-shek by a series of events which would appear to have originated from the forces under his command.

To wait for the adjustment of such a situation, or of such a series of situations, if they should arise, would be to follow a negative policy.

The British memorandum of December, 1926, calling on the powers to recognize that China had advanced a long way since the earlier days of mutual suspicion and mutual combativenees, while the statement of our own Secretary of State indicated a readiness to proceed to revision of the treaties when authoritative spokesmen for a national government could be found.

Both these documents are before the world. Is it the course of greatest statesmanship to rest on those, or to implement them by further steps? Is not delay likely to strengthen the hands of those who claim, in China, that neither Britain nor America is really interested in the aspirations of China to become mistress in her own house?

Is not the course for America the same as that so vigorously urged by the *Spectator* for England? Many of us have been appealing for it for months past.

Those of us who have been close to the thought of modern China, or have sought to get close to it, recognize that there is a new psychology in China today, one that will not long brook delay or remain patient under the repeated assertions of the Western powers that when China has put her house in order she will receive the extended hand of recognition. Is not the logical procedure one of negotiations, patient, longcontinued, ignoring trivial breaches of the conventions, seeking above all, to help China regain her hold over her own government, and to cooperate with her in the setting up of such a domestic establishment, social, economic and political, as her history and heritage deserve?

All the people of China who think at all desire the revision of the existing treaties. Very well. Then surely some can be found with whom to treat regarding those. And any finding in that direction which commands universal approval can soon be incorporated into treaties.

The question of the international settlement at Shanghai is one in which America is concerned. How shall the government of that area be adjusted, pending the revision of the treaties? It is to the settlement of such issues that Americans may well direct their thought, together with their British friends, during these days before the treaties, already so antiquated, are cast aside and new ones created.

And in the meantime Americans do well to put out of their minds any thought that Chang Tso-lin is likely, because of the new titles he has assumed, to become an effective or acceptable ruler for Peking or for any other part of China. Those who are closest to the situation know that his day is done.

We should, furthermore, refrain from the thought that Gen. Feng Yu-hsiang is playing with Moscow in such a way as to be likely to resort to communism at some unexpected moment. Those who know him and his program know that he never has been Communistic, that he is not a "Red" and that he is, in spirit, devoted to the Nationalist cause as truly as Gen. Chiang Kai-shek. Two strong men like these may have to find a way to adjust their separate claims, later on, for the supreme military command. But rivalries like that would not be unparalleled. The Chinese have room for both men.

They are determined to go forward on the long, slow road that will bring them eventually to independence and national sovereignty. One of the greatest things America could do would be to aid this movement in every reasonable way, beginning *now* with the process of negotiation.

Has Shanghai a Free Press?

The following editorial appeared in the Boston Herald on Saturday, July 9, 1927.

The crisis in Shanghai is over but interesting disclosures of conditions in the great port of the Orient continue to come across the Pacific. In a recent issue of the *China Weekly Review*, for instance, there is information respecting two matters of which the cables told us little at the time but that are bound to create the disquieting impression that news from Shanghai is not to be accepted always as a disinterested record of facts, The *China Weekly Review* is put out by the Millard Publishing Company, a Delaware corporation, and the editor is J. B. Powell, experienced in newspaper work in this country, and for ten years in Shanghai, where he serves also as the correspondent of the *Chicago Tribune*.

In a May issue of the *Review* we find a black-bordered advertisement "inserted gratis." The borders frame a letter from the advertising department of a great British tobacco company and below appears the comment of the editor. The letter informs the *Review* that the Company has decided to terminate "forthwith" its advertising contract of Jan. 1, 1927, under a clause giving the advertiser the right so to do. The letter refers to this clause, the editor prints it in full. If the paper publishes matter which would cause the advertiser, if he had no contract, to stop his advertising he is to have the right to cancel anyhow by written notice—that is the essence of the clause. We are informed also that up to two years ago this clause contained an additional proviso which conferred the right of cancellation "in the event of the advertising medium adopting an anti-British tone." Says Mr. Powell: "We assume the public both in China and abroad will be interested in this attempt on the part of a great British corporation to muzzle editorial opinion in China."

The other matter pertains to the policies of the American Chamber of Commerce in Shanghai. There are a dozen such organizations in the city. The American chamber is international in character, and a United States government publication says that it "has become a power in that part of the world." Now at the end of April the chamber passed a resolution of disapproval of certain editorial policies of the *Review* and asked the weekly to resign its membership in the chamber. The editor was present at the meeting and invoked in his behalf a rule requiring advance notice in case of any such intended action. Mr. Powell had no notice, and he considered the irregularity to be a token of a "frame-up." He insisted on his right to express his opinions and expressed willingness to resign if his membership embarrassed the chamber, but he wanted the facts to be clearly understood. He quoted the *North China Daily News*, "the official British newspaper in Shanghai," whose editorial policies were at variance with his own. The *News* wants American intervention, the *Review* opposes intervention in the internal affairs of the country. Mr. Powell quoted both President Coolidge and Senator Borah as against intervention. But he intimated that opinion in the chamber was influenced greatly by the *North China News*.

Whatever be the merits of the intervention issue, it is decidedly disturbing to know that powerful influences are in use in Shanghai to prevent argument in behalf of one side of the question and to secure American endorsement of British policies. It will be recalled that last March the directors of the American chamber passed a series of resolutions demanding "immediate concerted action by the Powers" in China. The chief offense of Mr. Powell and his paper would seem to be that they opposed what was "in simple language an appeal to the American government for armed intervention."

Japan, Russia, And Britain in China

BY DR. SUCHIRO SHIGEO

This article dealing with the activities of Japan, Russia and Britain in China appeared originally in the Japanese Diplomatic Review and was translated by the Japan Chronicle. Dr. Suchiro Shigeo, the writer of the article, is a member of the faculty of the Kyoto Imperial University.

EVERYONE who compares Japan's international position to-day with what it was ten years ago must be struck by the marked difference between the two. Ten years ago the Anglo-Japanese Alliance formed the pivot of Japan's foreign policy. Her position was adamantine. Britain agreeing to give Japan military assistance in the event of her being involved in war for the defence of her territorial rights or special interests in Eastern Asia owing to an unprovoked attack of one or more Powers or the aggressive actions of one or more Powers. It was rendered safer still by the Russo-Japanese Agreements of 1907, 1910 and 1916. Further, by the Ishii-Lansing Agreement of November 3rd, 1917, Japan's special interests in China, more especially in the regions bordering on her territory were recognised. Japan's position was thus supported on three great pillars,—the Anglo-Japanese Alliance, the Russo-Japanese Agreement and the Ishii-Lansing Agreement. As a result of the Russian Revolution of November, 1917, however, the Russo-Japanese Agreement was the first to pass away. The American-Japanese Agreement which had been anything but solid from the beginning came to its predestined end on April 14th, 1923, when it was cancelled. The Anglo-Japanese Alliance, too, came to a termination on August 17th of the same year by virtue of Art. 4 of the Quadruple Treaty relative to insular dependencies and territories in the Pacific region. All the props for Japan's international position were thus gone. It is hardly necessary to point out that there is a considerable difference between Japan's present position in the world and the position she occupied before the signature of the first Anglo-Japanese Alliance. Twently-five years ago Japan was an insignificant country in the Far East, whereas she is now on an equal footing with Britain and America, and, despite the extinction of the various treaties in her support, she can still hold her own as one of the three great Powers of the world. She must nevertheless feel her isolation as painfully as she did before the signature of the Anglo-Japanese Alliance. No wonder that the opinion should be expressed here and there in this country, for an alliance with Russia or Britain, or urging that the relations between Britain and Japan should be improved so as at least to ensure co-operation even if it is impracticable to arrange a new alliance between them. But an alliance with Russia, which is threatening to undermine Japan's position in China, Manchuria and Mongolia more especially, is evidently an idle dream. Nor is a revival of the alliance with Britain more hopeful, considering the circumstances under which the old alliance was terminated. Yet there can be no satisfactory settlement of the China problem so long as Japan and Britain go on glaring at each other and continue at daggers drawn. Both in their own interests and for the peace of the Far East it is imperative that the two nations should warm up their former friendship and co-operate with each other, especially in regard to the China problem.

Unequal Treaties

The Chinese agitations against the unequal treaties since the Peace Conference at Paris had gone too far for China to remain contented with the Customs Conference at Peking in 1925 limiting its discussions to the question of surtaxes for which it was originally intended. In its invitation to the conference, therefore, the Tuan Government insisted that the conference should take up the question of tariff autonomy, and at the outset of the meeting the Chinese delegate was made to urge that all the tariff restraints imposed by the existing treaties should be discontinued. The political situation in China was then almost as chaotic as it is to-day. There was no central government faithfully to fulfil China's treaty obligations. While there were things which should be done as a necessary condition for the recovery of tariff autonomy, the abolition of likin, for instance, and there was little prospect of those things being done in the near future, China had no scruple in demanding tariff autonomy. Besides, should China be enabled freely to increase her revenue by fixing on a tariff at will, it was feared that it would only aggravate the civil war in China by creating a fresh booty for the military cliques to fight for. To comply with China's demand in these circumstances, even if it be a national aspiration, was premature and would be unkind even to China. Japan would, therefore, have done better to co-operate with Britain and America in checking China's rash demand. Instead, Japan, for some reason or other, chose to steal a march upon the others and show herself the first to express sympathies with China's demand. Taken by surprise, Britain and America vied with each other and with Japan in consulting the pleasure of China. The resolution in favor of the recovery of tariff autonomy by China that was passed at the second mixed committee on November 19th, 1925, was nothing but the result of the open and hidden struggles among the three powers, Japan, Britain and China. The diplomatic success unexpectedly scored by China thanks to the broken step of the three Powers gave a further impetus to China's national movements against the foreign Powers. It is easy to foresee that the Chinese movement for the abrogation of the unequal treaties must increase in intensity as time goes on. What is Japan going to do with the matter? From the report of the Chinese Judicial System Investigation Committee published on November 29th last year, it would appear that on the question of extraterritoriality the Japanese Government is only agreeable to a gradual abolition of the system complained of, whereas regards the question of tariff autonomy, it is reported by the Press that the officials who participated in the recent Eastern Conference are of opinion that as a preliminary to the recovery of tariff autonomy China should furnish proof of her sincere intention faithfully to abide by the international treaties, since it is to be regretted that in only too many instances China has contravened her treaty obligations and the most urgent thing for China is to effect the unification of the country and stabilisation of the political situation under a central government capable of faithfully fulfilling the terms of her treaties. If the report is correct, their opinion presents a striking difference to the view entertained by the Foreign Office authorities at the time of the Customs Conference, and it may not inconsiderably affect the Government's attitude on the question of the abrogation of the unequal treaties. When such a body of opinion exists in official circles, it is to be feared that all the goodwill and sympathy shown by Japan for China at the time of the Customs Conference may go for nothing. Be that as it may, it is undeniable that reactionary tendencies are in evidence,—that the abrogation of the unequal treaties should not be so hastily assented to as the Japanese Government did at the Customs Conference.

British and American Attitude

The British attitude on these questions was expressed by Sir Austen Chamberlain, the British Foreign Secretary, in his speech at Birmingham on January 29th to the following effect:—

"Britain is prepared gradually to accede to China's demands as much as possible and waive the various privileges she has in China in case China becomes able to give full security for the enjoyment by British residents in China of those rights which are commonly enjoyed by foreigners. As extraterritoriality, various restraints on tariff autonomy and the system of concessions have grown obsolete and incompatible with the existing conditions, Britain is prepared to reform the arrangements. But there is order in everything. Care should be taken so that the reform is made by degrees and does not entail abrupt changes."

The announcement published by the American Department of State on January 27th also indicated America's generous attitude regarding the question of the abrogation of the unequal treaties. It stated that the American Government had no objection to starting negotiations for the recovery of tariff autonomy as soon as a government standing for the whole China people had been established.

In the matter of the intended abolition of extraterritoriality, America gave it to be understood that she was ready to enter into the necessary negotiations when the laws and administration of justice in China had become adequate for the life and property of American residents in China. This was declared by Mr. Kellogg, Secretary of State, as early as September, 1925. It is evident that unlike Russia, America does not want to relinquish unconditionally all her privileges in China. Indeed it is highly doubtful whether even Russia honestly intends to fulfil all the promises made by her in the Russo-China Treaty of 1924. In short, Japan, Britain and America more especially Japan and Britain, are now opposed to an abrupt abrogation of the unequal treaties. Japan and Britain are alike interested in holding in check that China which is as wilful as a spoiled child under Russian instigation and the stimulus of her singular success at the Customs Conference,—that China which will hear nothing of concession or compromise but is bent on carrying through her demands at a single stroke in defiance of the interests of the other powers concerned, enabling her to discard the unequal treaties gradually and in so far as circumstances permit. For this reason the two nations should co-operate with each other as much as possible in regard to the question of the intended abrogation of the unequal treaties. It will inure to the disadvantage of both if either of them tries to forestall the other, as at the Customs Conference, which should afford them a salutary lesson in caution.

Co-operation against Russia

The above is the reason why Japan should co-operate with Britain in connection with the question of the termination of the unequal treaties. But the co-operation is also rendered necessary on account of Russia. On May 27th the British Government abrogated the Anglo-Russian Commercial Treaty and broke off relations with Russia to the great consternation of the world. This drastic measure was adopted because Russia, in defiance of the terms of the treaty, has been conducting propaganda highly unfavorable to Britain, with the slogan of "Down with British Imperialism," in Asia, more especially in China. Notwithstanding that it was stipulated in the preamble of the treaty that Russia should refrain from instigating Asiatics against the interests of Britain, the Russian Government openly inflamed the Chinese people against Britain in North China by requiring Mr. Karahan, its Ambassador at Peking, to emphasize that the abrogation of the unequal treaties should be carried out in a revolutionary way, while in South China Mr. Borodin, an official under the Russian Government and an adviser to the Nationalist Government, was busily engaged in anti-British propaganda, which it is a matter of common knowledge, was steadily driving British influence out of China. Britain patiently bore all the outrageous proceedings of Russia, but her patience at length became exhausted. It is quite true that Britain's break with Russia does not mean war, but it is inevitable that the relations between the two nations all over the world, China more particularly, will get more strained and complicated than ever as a result.

Russo-Japanese Relations

As for the relations between Japan and Russia, is it unlikely that despite Art. 5 of the Russo-Japanese Treaty of 1925 the Russian Government, or, what is practically identical with it, the Third International, should conduct Bolshevik propaganda in Japan? Unfaithfulness to international engagements has been a chronic failing of Russia from the Tsarist days. It is unthinkable that she should be faithful to her promises to Japan alone while she is calmly contravening everywhere else her engagement that she will refrain from carrying on Bolshevik propaganda. While this may be left as a doubtful question, it is an undoubted fact that next to Britain, Japan is the objective of Russia's anti-Imperialistic propaganda in China and that by fomenting an anti-Japanese sentiment in China, the Russian Government is undermining the friendly relations between Japan and China. In this way, so long as Russia does not give up her idea of a world revolution she is a common menace to Britain and Japan—a danger which Japan should devise means to cope with in co-operation with Britain. Otherwise, the Russian Government will soon be stretching its devilish arm to Korea and then proceeding even to turn Japan red. Japan and Britain do not necessarily agree in their interests in the Far East, and it is inevitable that they should sometimes be antagonists, but on the point just mentioned they should realise that they are in the same boat.

Menace to the Nine-Power Treaty

There is yet another reason why Japan and Britain should co-operate against Russia. Seeing that the assistance given by some of the Powers interested in China to this or that Chinese military clique has had the effect of perpetuating the civil wars in China and disturbing the peace of the Far East exceedingly, the so-called principle of non-interference with China was adopted and established by the Nine-power Treaty relating to China signed at the Washington Conference. In order to give full effect to the principle laid down, it is necessary that it should be accepted and faithfully acted on by all the Powers interested in China. But as Russia did not participate in the Washington Conference and is not a signatory to the treaty, she has no hesitation in interfering with the internal affairs of China and acting in exact opposition to the policy of the signatory Powers. The Russian Government has in no small degree contributed to the rapid success of the Nationalist Revolutionary expedition by furnishing the Nationalist (now Hankow) Government with a number of political and military advisers and instructors. That it also gave considerable material assistance to Feng Yu-hsiang has been fully exposed as a result of the raid made on the Russian Embassy at Peking in April last. In this manner, the Russian Government is impeding the China policy of the signatories to the Nine-power Treaty by interfering with the internal affairs of China, and, what is worse still, it is upsetting the peace of China by leading the Chinese Communists in the work of Bolshevising the whole country. This is nothing less than a challenge to the signatories of the Nine-power Treaty, which is being trodden under foot, and yet the signatory Powers are so impotent and resourceless that they can do nothing better than look meekly on with crossed arms while the audacious and insolent proceedings of the Russian Government are going on. In making this remark, however, we do not mean to urge that the Powers concerned should join in supporting the more moderate elements in China against Russia and sweeping away the influence of the Chinese Communists backed by Russia, for that would be to meet violence with violence. Interference in China should be avoided by Japan by all means, but at the same time Russian interference in China should also be resolutely protested against, for should it be tacitly tolerated. some of the signatories to the Nine-power Treaty may also presume to contravene the terms of the treaty, whose authority will then fall to the ground, and the relations of the Power in regard to China will be in danger of being brought back to the chaotic state in which they were before the Washington Conference.

Russian Aggression

In order to anticipate the danger and maintain the authority of the Ninepower Treaty—the *magna charta* of international relations regarding China—it is essential that Japan should cooperate with Britain, which is in the same situation, and, if possible, with the United States also, in adapting suitable measures. But what makes the cooperation between Japan and Britain all the more necessary is Russia's aggression in China. Despite the fundamental reorganisation of her state system by the Revolution of November, 1917, Russia's foreign policy is as aggressive as ever. It is noted by all discerning men that she has relinquished none of the foreign ambitions she entertained under the Tsarist regime. In the Far East she is actually in control of Outer Mongolia, which she has converted to Bolishevism and which she will in no distant future annex in the form of an admission to the Soviet federation. Russian aggression in China is the same in substance as it was before the Russo-Japanese War, though it is different in form, for from the latest Russian intrigues in North Manchuria it would appear that she will soon menace Japan by encroaching upon South Manchuria and Inner Mongolia, and that she may some day attack North China and challenge Britain, which was in alliance with Japan for twenty years for the maintenance of the independence and territorial integrity of China and has participated in the Nine-Power Treaty for the same purpose. It is true that the signatories to the Nine-Power Treaty agree merely to respect themselves the sovereignty and independence of China and her territorial and administrative integrity and do not aim at third Powers to respect the same. But should the aggressive actions of Russia in China be tolerated, the object of the treaty would be entirely frustrated. Vitally interested as Japan and Britain are in China, they cannot remain indifferent to the Russian aggression in a fresh form.

But it is not our intention to propose a revival of theAngo-Japanese Alliance. Remembering how the Alliance was scrapped as a result of the Washington Conference, it would be idle to advocate its resuscitation, but is it an impracticable proposal to urge a friendly co-operation between Japan and Britain for the prevention of Russian aggression? Perhaps the proposed co-operation is open to the objection of lacking thoroughness unless it is pushed on to a military alliance, but something is better than nothing. Hence this suggestion for cooperation between Japan and Britain, in which it must be regretfully added that it is not practicable to hope for American participation. We have explained how essential it is that Japan, Britain and America should co-operate in connection with the China problem, but such co-operation will have the additional advantage of facilitating arrangements among them for a reduction of armaments.

U. S. Court Asked To Pass On Luxury Taxes

With a view to getting in their cargoes before the imposition of the 57½ per cent luxury tax by the Nanking government on September 1, various liquor importing firms placed orders for cargoes, which have been arriving during the past week or so. On hearing of these importations the Nanking government imposed an "interim" dividend of thirty per cent, to date from August 11. The various liquor importing firms refused to pay the tax, and as a consequence the goods are being held in bond, the steamship agents being under obligation to the Customs not to allow delivery to be taken unless the Customs duties have been paid. Both in the American and British courts, actions have now been started by liquor importing firms with the object of getting a ruling from their own legal authorities on the subject of the luxury duties which the Nanking government has imposed as a preliminary to announcing complete tariff autonomy. In the U. S. Court for China, Longfellow & Adams, Inc., importers and exporters, have instituted proceedings against the Robert Dollar Co. because the latter will not release their cargo. The Customs refuses to issue a duty receipt unless the thirty per cent "interim" luxury tax is paid, The contention of Longfellow & Adams, who are represented by F. J. Schuhl, is that the taxes which the Nanking government seeks to impose are illegal and in direct contravention of the treaties in force between the United States and China. Gande, Price & Co., British liquor importers, are bringing similar action against the British Hongkong & Shanghai Wharf, on the same grounds.

The Glazed Kid-Leather Industry

BY GEO. W. MISSEMER

ONE of the industries in which America has come very much to the front in recent years is that of leather tanning. This has reached such proportions that the export of leather from the United States has assumed very respectable proportions. It is not to be inferred from this statement that America's leather export is based primarily on the fact that, as an agricultural country, it has an enormous stock of hides on its hands and that therefore it is in a favored position in this respect. The fact is quite the contrary, as the most important of America's leather exports is goat and kid (glazed kid) leather, hardly a skin of which was grown in the United States. The principal supplier of goat skins to America is India, and the next China, the former country sending about nine million dollars worth a year and the latter four million dollars worth.

Chinese goatskins are coarser and larger than those of India, and at the moment are not in such favor in the United States as they were several years ago owing to the present women's styles requiring smaller skins, not large ones as was the case several years back. However, the export of goatskins from China will always be a business running into millions of dollars a year, and one of the industries which will undoubtedly be developed to very considerable proportions in China during the next few years will be the establishing of tanneries to produce glazed kid leather, of which goat skins are the basis.

The Chrome Process

Chrome tanning has largely superseded the older methods some of which were filthy in the extreme. The basic principle in chrome tanning is that a chemical combination is brought about between the fibre of the hide and certain chrome salts. Chrome tanning was made commercially possible by a New York chemist by the name of Schultz, although the German Professor Knapp had described a somewhat similar process about seventy years ago. There are two general processes under this system, the two-bath and the one-bath. The two-bath process is the one generally used in producing the light leathers such as glazed goat and sheep skins.

Nearly all goatskins arrive at the tannery in dried condition, and the first operation is to soften them. This is usually done by soaking them for two or three days in water to which a little borax or soda or sulphide of sodium has been added. So as to prevent putrefaction during the soaking the water is changed now and then. Particularly hard skins are "broken over".

Getting Rid of The Hair

After the skins have been softened they are unhaired by immersion in a solution of lime and arsenic sulphide, the object of the latter chemical being to impart suppleness to the skins. The unhairing is done either by machine or by hand. The next operation is fleshing, and the next after that is "scudding." All these operations may be performed on the same machine, different cylinders being fitted. Scudding is the removal of the fat, short hairs, etc. and if this work is not done properly the finished leather will not have a clean grain and will not take a good glaze.

Some tanners next paddle the skins in a weak lactic acid solution followed by another washing in a week borax solution. Other tanners prefer to pickle the skins in acid and salt just before the chroming is done in order to secure greater softness. A pound of salt is used for each ten pounds of drained pelt, the salt having been previously dissolved in about a gallon and a half of water. The skins are paddled with a drum in this solution for about a quarter of an hour and afterwards piled up or hung up—usually over night. To prepare the acid for adding to the salt solution two pounds of hydrochloric (muriatic) acid are mixed in a pail of boiling water and afterwards cooled by the addition of two pails of cold water, the whole then being poured into the solution already with the skins in the drum.

Mixing the Solution

The first step in the chroming process is to dissolve the chromate of potash in boiling water, to which muriatic acid has first been added. About six pounds of bichromate are used for each hundred pounds of pelt. About half as much muriatic acid as chromate is used. Enough water is added so that the skins can be "paddled". The usual time taken for the paddling is about three hours. The skins have now become bright yellow in color. They are then taken out and "horsed" up. They have to be covered over so as to protect them from the light.

The next operation is known as "reducing." A twelve per cent hyposulphite of soda solution is made, and to this is added one pound of hydrochloric acid for each twenty pounds of wet skins that are to be immersed in this bath. About three hours are occupied in this process, which changes the skins from their bright yellow color to a bright bluish-green. The test of whether the process has been properly carried out is whether the green has penetrated right through the skin as revealed by cutting through one of the thickest parts. Care should be taken to see that skins of approximately the same thickness are treated in one bath as otherwise the results will be irregular. The fumes given off during the reducing process are injurious to health and the premises where it is carried on should be well ventilated.

The actual tanning is now completed. The skins are next washed thoroughly in a weak borax sblution, and rinsed again in clean water until every trace of free acid has gone. Litmus paper is used to test the solution to make sure that this operation of rinsing is thoroughly accomplished.

Dyeing and Finishing

The next process is "striking out." This consists mainly of stretching the skins and smoothing them on the grain side. Black glazed kid is prepared by immersing the skin in a warm solution of logwood for about half an hour, until the flesh side becomes purplish-black in color. This process in the case of colored leathers is followed by various dyeing processes. The next operation is the finishing, the object of which is to soften the leather, as the dyeing process has left it quite hard. The skins are damped by being covered with wet sawdust and then drawn between two steel plates in a machine. This is usually done several times.

The rough edges of the skins are then trimmed off, preparatory to having a seasoning preparation smeared over them. There are various seasoning mixtures, but as good as any is one made of logwood, milk, oxblood, ammonia, glycerine and water. The seasoning mixture is brushed well in and then the skins are hung up in a warm chamber to be dried. Next comes the glazing. This is done by means of a small cylinder of agate or glass working on an arm. The extended skin is struck by this arm more than a hundred times a minute. The seasoning and glazing operation is usually repeated. After the skins have been glazed they are wiped with an oily rag and are then ready for the shoe manufacturer.

Railway Conference at Peking Tackles Important Matters

The Railway Conference held last week at the Ministry of Finance in Peking gives much evidence of being more than a perfunctory affair. Under the able chairmanship of General Chang Yin Huai, Acting Minister and concurrently director of the Peking-Mukden railway, various important matters were discussed and acted upon.

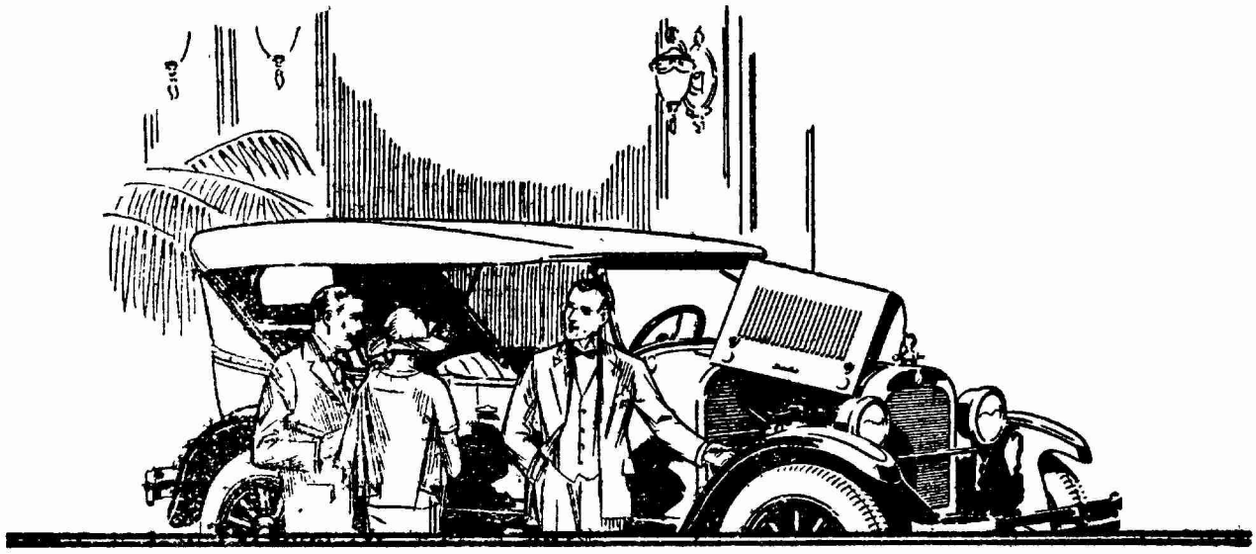
Among the resolutions passed was one providing for the simplification and reduction of railway transit taxes, the strict prohibition of military interference with railway funds and operation, and a clear division of power and organization in the handling of commercial and military transportation.

A special feature of the Conference was the summary report presented by the Ministry on the great mass of valuable informations supplied by various Chambers of Commerce, both foreign and Chinese, at Peking, Tientsin, Kalgan, etc., concerning the excessive transit taxes and corrupt practices of station masters. It was shown that the total transportation cost for a ton of wool from Paotow to Tientsin including all the taxes and other illegal charges is six times more than the freight between Tientsin and New York! A certain Chamber of Commerce informed the Conference that a station master makes a profitable business by demanding extra charges for the use of cars according to a well made tariff schedule of his own, $32 for a twenty-ton car, $38 for a thirty-ton car, and so on.

Captain Dollar and Colonel Patterson Express Optimism

Captain Robert Dollar, interviewed in New York, June 14, on the eve of his returning to his home in San Francisco, stated that conditions in China were improving and were helping to stimulate Pacific trade. "Even though the Chinese civil war continues," Captain Dollar said, "it will not hit Pacific shipping. The big thing to contend with there has been the Bolshevistic influence and just at present the Bolshevist power is on the wane."

Sentiments in a similar vein were expressed by Colonel Richard C. Patterson, jr., president of the Peacock Motion Picture Corporation, in an interview in New York July 2, upon his arrival there after a three months tour of the Far East. Colonel Patterson stated that one of the principal reasons for the decline of Bolshevism in China was the rise of real patriotism among the Chinese.



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The China Motors, Inc., Shanghai
The L. E. Gale Co., Hankow

DODGE BROTHERS MOTOR CARS

41-439

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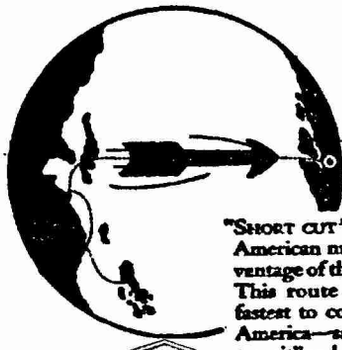

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41-440

Far Eastern Olympic Games Being Contested in Shanghai

The eighth biennial Far Eastern Olympic Championships are being contested in Shanghai from August 27 to September 3. Three countries are represented: China, Japan and the Philippines. Football, baseball, basket ball, volley ball, swimming and various track and field events will comprise the principal items on the program.

The officials in charge of the games, together with the athletes will assemble to-day (August 27) at 2 p. m. at the Pioneer Field, where most of the games will be played. Leaders of the different delegations and prominent personages will deliver short speeches appropriate to the occasion and there will also be a brief parade, in which the Chinese Boy Scouts will take part. The baseball and tennis games will start at 3 p. m. and the football at 5 p. m. Preceding the football contest a volley ball match will be played on the football ground at 3.30 p. m.

Basketball will be played at 8.30 p. m. on a specially made floor in the open, the court being brilliantly illuminated by electric lights. The swimming contests will take place at 8 p. m. in the Municipal Swimming Bath in Kiangwan road.

Dean Walter Williams Is Guest of Shanghai Newspapermen

Dr. Walter Williams, dean of the School of Journalism of the University of Missouri, was the principal guest at a dinner given Monday evening, August 22, at the Yih Ping Chang hotel in Shanghai, by the *Shun Pao* and *Sin Wan Pao*. More than half a hundred Chinese and foreign newspapermen were in attendance. The dean was welcomed by P. C. Waung of the *Sin Wan Pao*.

Dean Williams, who is honorary president of the Press Congress of the World, and who was in Shanghai for a short stay in the interests of the Pan-Pacific Press Conference which will meet next Summer in Honolulu, in an interesting address referred to his "children", that is graduates from his school, quite a number of whom were present at the dinner. He said he was proud of them, particularly of J. B. Powell, who he said had shown special courage and vision and had upheld the fine traditions of the school.

Dr. Williams said he did not wish to speak on political conditions in China as he did not understand them, but he wished to emphasize that the three great forces in the world were—business, commerce and journalism. In his opinion the science of journalism was the most important of the three and therefore journalists should always keep this fact in mind, particularly when writing on international matters. The speaker emphasized that the three principal points that ought to be observed by journalists were: truth, sympathy and freedom.

Dr. Williams sailed for the United States by the s. s. *Tenyo Maru*, August 25.

British Commercial Party Making Tour of Yangtsze Valley

A British commercial party is at present making a tour of the Yangstze valley on board the British gunboat *Kiawo*. The party is in charge of N. J. Brett, Acting Commercial Counsellor, who is making the tour on instructions from the British Minister at Peking. The *Kiawo* left Shanghai August 20.

Accompanying Mr. Brett are the following representatives of British firms: C. H. Arnhold for Arnhold & Co., Ltd., N Leslie and D. T. Keogh for the Asiatic Petroleum Co., B. M. Barry for Barry & Dodwell, Chungking, V. L. A. Fairley for the British-American Tobacco Co., Ltd., A. V. T. Dean for Butterfield & Swire, S. E. Grimstone for Jardine, Matheson & Co., Ltd. J. R. Sinton of the China Inland Mission, Luchow, Szechuen, is also accompanying the party.

Mr. Brett and his party are making the trip with a view of reporting on the possibility of reestablishing connections with the Yangtsze ports from which British merchants have been evacuated. After calling at Hankow the *Kiawo* will be joined by one or two other British gunboats and will proceed to Changsha, Ichang and Chungking. A. P. Blunt, in general charge of British Consulates at the evacuated ports, is joining the party at Hankow.

Cholera Makes Its Appearance in Shanghai

The first intimation that the public had that cholera had made its appearance in Shanghai this season was when about two weeks ago the Japanese declared Shanghai an infected port. Although the outbreak is not nearly so serious as last year, deaths from cholera are occurring among the Chinese population almost daily. Good work in treating cases of cholera is being done by the Chinese Infectious Diseases Hospital, from which institution many patients suffering with cholera are discharged cured.

BANKING

DOMESTIC AND FOREIGN

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Savings Accounts in all Currencies.
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COMMERCIAL SAVINGS INVESTMENT

41-441

In the United States Court for China

EQUITABLE EASTERN BANKING CORP.
Plaintiff,
vs
C. F. REHNBORG,
Defendant.

Cause No. 2959
Civil No. 1215
SUMMONS ALIAS
Filed at Shanghai, China, August 4 1927.
L. T. Kenake
Assistant Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

C. F. REHNBORG

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY Judge of the United States Court for China, Shanghai, China. Feb. 4, 1927.

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

In re
Last Will and Testament
of
JOHN W. SCHOENFELD,
Deceased.

Cause No. 2963
Estate No. 660
NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of JOHN W. SCHOENFELD, Deceased, to present the same with vouchers to the undersigned on or before February 4, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

ETHEL G. SCHOENFELD
Executrix.

c/o Schuhl & Schoenfeld
141 Szechuen Road
SHANGHAI.

41-442

Men and Events

M. Naggiar, the French Consul General in Shanghai, has been made an Officer in the Legion of Honor.

Miss Louise Wilson of the staff of the *North-China Daily News*, has returned from a vacation in Peking and Tientsin.

Chu Chao-hsin, late Chinese minister at the League of Nations, has arrived in Canton and is expected in Shanghai towards the end of this month.

The furniture and equipment of the Southern University, 37 Kinchow road, were sold in a Shanghai auction room during the week.

The incorporation is announced of the Manila Stock Exchange. Manila up until this time has been the only large city in the Far East without a recognized stock exchange.

The U. S. Consulate in Shanghai is seeking the whereabouts of Frank Winters, who left San Francisco, California, in April, 1925.

W. W. Baer, special representative for the Union Oil Company of California, is in Shanghai and is staying at the Astor House Hotel.

E. C. Bogle, chief accountant of the Dollar Company, returned from a trip to Hongkong and Manila by the s.s. *President Jackson* August 18.

The British-American Tobacco factory at Pootung, opposite Shanghai, resumed operation August 18, after having been closed for several weeks owing to overproduction.

E. B. Gregory, manager of the leaf department of the British Cigarette Co., Ltd., intends to retire from China shortly and to return to America with his family, where he will reside permanently.

S. Fakumachi, editor and proprietor of the *Shanghai Mainichi*, leading Japanese newspaper in Shanghai, is being charged with fraud and violation of commercial laws, in connection with recent Japanese bank scandals.

George Arbogast, general manager of the machinery and supply section of the Universal Leaf Co. of China, returned to Shanghai from a trip to the South by the s.s. *President Jackson* August 18.

T. Kagawa, prominent Japanese labor leader, will speak under the auspices of the International Industrial Service League in the Royal Asiatic Society hall, Shanghai, Monday, August 29, at 5.30 p.m.

Nelson T. Johnson, chief of the United States Division of Far Eastern Affairs, has been promoted Assistant Secretary of State. Mr. Johnson has held consular posts in many parts of China, including Shanghai. He is a member of the American Society of International Law.

Advices from Manila are to the effect that there is a predominant sentiment among legislative leaders in favor of sending a Philippine delegation to the annual conference of the "League Against Colonial Oppression in the Far East", to meet in Hankow in September.

Norman Ulbright, formerly advertising manager of *The China Weekly Review*, has joined the advertising department of the East St. Louis Railway Company, E. St. Louis, Ill., and in addition to his advertising work will edit the house organ of the company, a magazine called the "Onceinawile."

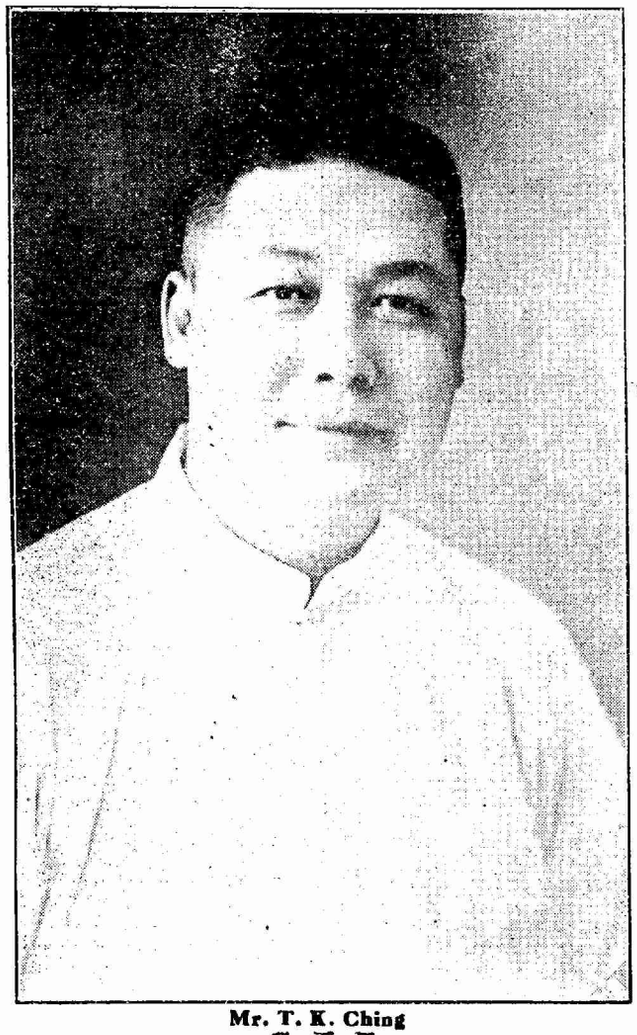
Dr. Tsefang F. Huang is the author of a pamphlet, "Public Health in China—a Proposed Programme", published at Peking under the auspices of the National Epidemic Prevention Bureau. The high illness and mortality rate in China is mostly due to excessive infant mortality, gastrointestinal diseases, and small pox.

Wilbur Burton, an American newspaperman who was formerly employed on the editorial staffs of the *Evening News* and the *China Courier* in Shanghai and was more recently the representative of the Nationalist News Agency in Peking, Tientsin, and Shanghai, has departed from China for Japan en route to the United States.

The University of Nanking has recently published (in Chinese) a pamphlet entitled "A National System of Libraries in China" in which proposals are discussed for establishing five national libraries at Nanking, Peking, Wuchang, Canton, and Chengtu—with the Nanking National Sun Yat-sen library as the center. Plans for provincial, city, district and school libraries are also dealt with.

The annual meeting of the International Institute of China, Inc., is announced to take place in the Yen Hall of the Institute, 318 Avenue Joffre, Shanghai, September 15 at 5 p.m. The Institute stands as a monument to more than thirty years of effort on the part of Rev. Gilbert Reid, A. M., D. D., who has sufficiently recovered from a prolonged illness to resume his duties. Dr. Reid is in his seventieth year.

Who's Who in China



Mr. T. K. Ching
程天固
(Cheng Tien-Ku)

Mr. T. K. Ching was born in 1890, the scion of a prominent Kwangtung family. He received his advanced education in America; and attended the University of Chicago and the University of California, from which latter institution he was graduated in 1913. While there he was the editor of a popular revolutionary paper, "Young China in America". Returning to his native land, he became active in Kuomintang and revolutionary circles. He acted for some time as secretary to Dr. Sun Yat-sen. Later he was appointed Commissioner of Public Works in Canton. At the same time he was the managing director of Star Leather Co., Tai Sing Copper Mill, and the Sand-Lime Bricks Co. Resigning from the post of Commissioner, he became the dean of the College of Law and Political Science, University of Kwangtung; at the same time he held the post of legal adviser to the Ministry of Foreign Affairs. After the formation of the Nationalist Government at Nanking, he was appointed director to the Board of Customs Administration, Ministry of Finance, which position he now holds.

DuPonts Buying Heavily of U. S. Steel Stock

An impending contest between the General Motors Corporation of Detroit and Henry Ford of the same city for supremacy in the automobile field is foreshadowed in the recent heavy purchases in Wall Street by the powerful DuPont interests, who are already in control of General Motors, of stock in the United States Steel Corporation. It is rumored that the DuPonts will have a representation on the Steel Corporation's board of directors with perhaps a direct merger of America's two largest industrial concerns.

Henry Ford's new model will shortly come on the market. The popularity of the present model Ford cars had declined considerably during the past year, whereas General Motors made profits during the first six months of the year of $130,000,000. The profits of the U. S. Steel Corporation during the same period were $90,000,000. The increase of sales of the General Motors' Chevrolet car during the present year has been phenomenal.

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Kuan Chun Mow, Manager of the O'Tung Cotton Yarn House.

—Auditors—

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The Efforts To Reunify The Kuomintang Party

BY J. B. P.

There have been two important developments in the China political situation following the retirement of Gen. Chiang Kai-shek on August 12. One was the complete evacuation of northern Kiangsu province by the Nationalist forces, and the re-occupation of that area by Gen. Sun Chuan-fang, the former tupan of the Lower Yangtsze area. The other development has been the efforts of the militarists and politicians affiliated with the Nanking and Wu-Han factions to get together. The cause of the retirement of the Nationalists from northern Kiangsu, which was directly responsible for the resignation of Generalissimo Chiang Kai-shek, is still considerable of a mystery, for there was little fighting except at Hsuchowfu, the junction of the Tientsin-Pukow and Lung-Hai railways. One report which has been circulated in Shanghai is to the effect that one of Chiang Kai-shek's subordinates embezzled a considerable sum of money which was intended for the payment of troops. This, according to the report, caused a general demoralization and forced Gen. Chiang to rush to the front in an attempt to save the day. This Gen. Chiang nearly succeeded in doing by re-capturing Hsuchowfu, but owing to the lack of support from the rear was finally forced to retire to Nanking and ultimately resign from the government.

Gen. Ho Yin-chin, one of the Nanking Commanders

Gen. Sun Chuan-fang 'Comes-back'

General Sun Chuan-fang, former tupan of the lower Yangtsze provinces of Kiangsu, Anhwei, Kiangsi, Chekiang and Fukien, has thus returned to the control of at least a small section of his former domain in this part of China. Gen. Sun's military strength as well as the source of his finances is still pretty much of a mystery, it being commonly reported in Chinese circles in Shanghai that he is being financed by both British and Japanese interests, the quid-pro-quo being Sun's agreement in exchange for British-Japanese financial support, not to carry out the tariff autonomy program which the Nationalists have announced to become effective on September 1. There is of course nothing more than rumor to support these allegations, but nevertheless the source of Sun's military funds still remains a mystery since reports from Peking less than a month ago stated that he was practically without funds. Regardless of this phase of the subject, the fact remains that Sun is again in the field and is trying to recover control of the Shanghai area and both the British and Japanese are anxious to have him return, which fact is evidenced by the articles and editorial comment appearing in the British and Japanese press.

Nationalists Trying to Save the Day

The Nationalists, in the face of the come-back of Sun Chuan-fang and renewed strength on the part of Marshal Chang Tso-ling, are bending every effort to reunify their forces in order to save the Lower Yangtsze area from recapture by the Northerners. Dr. C. C. Wu, minister of foreign affairs of the Nationalist faction at Nanking has gone to Kiukiang to conduct the preliminary negotiations with the Wu-han delegates who have come down from Hankow. According to the Japanese *Toho* agency reports of August 20, the following Wu-han Government officials have departed for Kiukiang for the purpose of conferring with the Nanking delegates: Gen. Tang Shen-tse, Gen. Tan Yen-kai, Gen. Cheng Chien, Wang Ching-wei, Sun Fo and Koo Meng-yu. The Japanese reports also stated that at a general meeting in Hankow of the 'Central Enlarged' Committee of the Kuomintang, it was decided to transfer both the Nationalist Government and the Kuomintang Headquarters to Nanking and orders were issued for the removal. However, it was stated that some delay might be experienced, owing to the unfavorable military situation existing at Nanking where the Northern troops under Sun Chuan-fang were bombarding the Nationalists at Nanking by firing across the river from Pukow, and where Gen. Sun was reported to have some 10,000 well equipped troops with several batteries of field pieces and some 18 machine guns.

Basis of Compromise between Hankow and Nanking

In connection with the decision of the Hankow section of the Kuomintang to remove its headquarters and the Wu-han Government to Nanking, the Japanese *Toho* reports on August 20 stated that the Kuomintang had issued a declaration stating (1) That it was necessary in future to preserve the unity of the Kuomintang and not repeat the mistakes of the past; (2) The split in the Kuomintang had enabled the Northern militarists, Chang Tso-ling, Chang Chung-chang and Sun Chuan-fang to revive their 'falling fortunes' which fact constituted the greatest obstacle to the revolutionary movement, hence it was imperative for the Kuomintang, following re-unification, to resist invasion by the imperialists and 'purify the remnants of the militarists;' (3) Adopt strict measures against the revival of the communists; and (4) Measures must be adopted to prevent the domination of the Kuomintang by the military elements in the party, hence the military elements must be forced to obey the mandates of the Party Executive.

Nanking's Conditions

The Nanking Government, according to the official *Kuo Min* news agency, has held several conferences on the subject of reunification of the party and Nationalist forces and the following is a summary of the results: (1) Nanking requests the Wu-han comrades to continue their efforts to purge the party of the communists; (2) Nanking holds that reunification is the most important matter facing the Nationalists, hence anything likely to cause further disharmony must be opposed; (3) Nanking holds that the reorganization of the Kuomintang and Government must be on a basis of the situation prevailing in Canton prior to the removal from that city; (4) Pending the reorganization of the Government, both Nanking and Wu-han Governments should 'maintain their present attitude of friendliness'; (5) The Nanking Government, including all military officials, have decided, as a temporary measure to consolidate their position south of the Yangtsze 'until the other revolutionary armies are ready to join them in a concerted Northern drive.'

Feng Yu-hsiang and Yen Hsi-shan

The last sentence in the preceding paragraph, refers naturally to Feng Yu-hsiang, and Yen Hsi-shan, both of whom are still more or less uncertain elements from the standpoint of the Nationalist movement. While both have declared themselves to be members of the Kuomintang and are using the Nationalist flag, their positions and principles are not yet entirely in accord with the Kuomintangists south of the Yangtsze. Feng Yu-hsiang, who is now in occupation of Honan, Shensi and Kansu provinces, apparently is 'sitting tight' and has done little to help either Wu-han or Nanking. Feng advanced into Honan only after the Wu-han general Tang Shen-tse had defeated Fengtien at heavy loss to Wu-han and on the other hand, at least as far as available reports show, Feng has done little to help Nanking in its fight against Sun Chuan-fang or Chang Chung-chang. There are reports that

(*Continued on page 341*)

Gen. Bei Tsung-chi, another Nanking Commander.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

August 16—Large delegation of Filipinos arrive in Shanghai for Far Eastern Olympic games and call on Quo Tai-chi—Reported that Wang Ching-wei, Tang Shen-tse, Sun Fo and Chang Fa-kwei departed from Hankow for Kiukiang upon hearing of resignation of Chiang Kai-shek and also that they immediately sent a telegram to Generals Li Chung-jen, Ho Yin-chin and Bei Tsung-chi of Nanking faction to come to Kiukiang for conference—Nanking generals telegraphically request Hu Han-min and other members of Nanking committee who resigned to return to Nanking, but they declined to return immediately—Gen. Li Chung-jen appointed assistant commander-in-chief of Nationalist forces and Gen. Hsia Wei-sun will command the 7th army in place of Gen. Li—Reported that Nanking is again sending troops north of the Yangtsze—*Kuo Wen* report from Peking expresses opinion that resignation of Chiang Kai-shek will result in further disorder in the South and that no one will be able to assume supreme command—Many shops close in Wuhan as result of serious financial situation—Chang Tso-ling prepares for strong attack on Feng's troops in Honan.

August 17—Northern troops capture Pukow—Wu-han Government, to relieve financial stringency, permits use of 'hard money' and announces new tax on real estate—*Toho* message from Hankow states that prospects are bright for reunion of Wu-han and Nanking Governments, with conference probably being held in Nanking; also reported that Wang Ching-wei may also retire similar to Chiang Kai-shek—Wu-han department of communications orders China Merchants Steam Navigation Company and San Peh Steamship Company to immediately restore communications between Hankow and Nanking—Wu-han officials, Tang Shen-tse, Tan Yen-kai, Chang Chien, Wang Ching-wei, Chen Kung-po, and Sun Fo, send telegram to Nanking officials, Li Tsung-jen, Bei Tsung-chi, Li Lieh-chun, Hu Han-min Tsai Yun-pei and Wu Chih-hui, suggesting immediate conference on reunification of Kuomintang—Gen. Li Tsung-jen with 7,000 troops arrives at Nanking—Kuomintang Central Executive and leaders of Wu-han Government order general meeting of Kuomintang on September 15—*Kuo Min* reports telegram sent to Chiang Kai-shek by Feng Yu-hsiang in which Feng urges Chiang to reconsider his retirement and return to the fold, otherwise Feng will also resign—*Kuo Min* states important conference held in Nanking on eve of 15th when important officials of Government sent telegram to Chiang Kai-shek requesting him to return and promising to carry on and maintain the military situation until his return—*Kuo Wen* report from Peking states that the Fengtien forces have decided to adopt strong action immediately and take possession of Shichiachwang on Peking-Hankow line which is now held by Yen Hsi-shan's troops—Chang Tso-ling sends Gen. Chao Ti to investigate military situation on Shantung front—Since Japanese Minister Yoshizawa, who is now in Manchuria, is expected back in Peking shortly, Sir Miles Lampson, British Minister is also expected to return to Peking from Weihaiwei for an important meeting of Diplomatic Body—Fengtien orders 30,000 troops to Honan border to oppose Feng Yu-hsiang—Chang Fa-kwei and

(Continued from page 340)

Feng has advanced into western Shantung and even one report recently said he had captured Hsuchowfu, but the reports have not been verified. Yen Hsi-shan, tupan of Shansi province, westward of Peking, has likewise been sitting on the fence. When it appeared that Gen. Chiang Kai-shek was going to win a victory and oust the Northerners from Shantung, Yen advanced and occupied territory along the Peking-Hankow railway, but now that Chiang has been ousted, it is reported that Yen has moved back within the borders of Shansi and is permitting Marshal Chang Tso-lin to advance down the Peking-Hankow line to attack Feng Yu-hsiang in northern Honan. Chang Tso-ling's motives in this campaign, naturally, are for the purpose of preventing Feng from advancing eastward along the Lung-Hai line to assist the Nanking Government. It would seem logical however to believe that Feng cannot continue to sit quietly in Honan for he must find an outlet somewhere, either down the Peking-Hankow line to Hankow or eastward to the Sea through northern Kiangsu along the Lung-Hai railway. The latter possibility probably is responsible for the rumors which are in circulation that some sort of alliance may be forced between Feng Yu-hsiang and Sun Chuan-fang, the apparent purpose being to find a haven for the remnants of the old Chihli party, both Feng and Sun being former Chihli military leaders.

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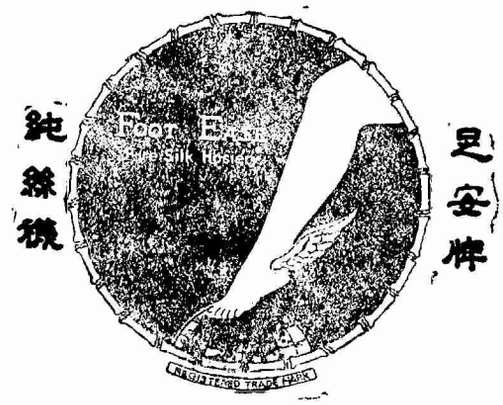

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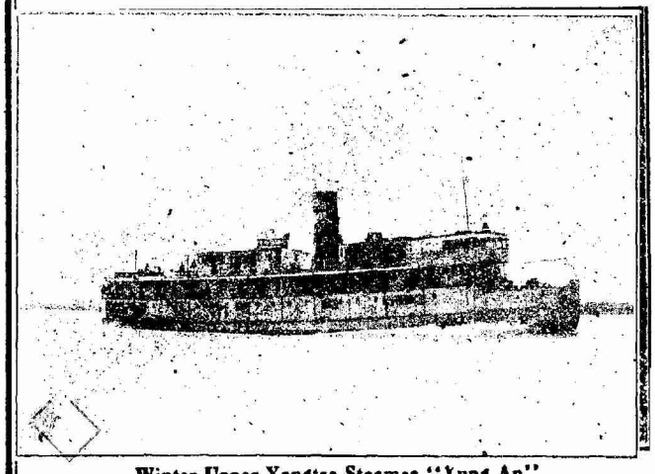

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Chu Peh-teh, commanders in Kiangsi, send telegram to Nanking urging immediate conference.

August 18—Southern troops retreat across Yangtsze from Pukow to Nanking and also across river at Chinkiang—Japanese and British residents evacuated from Nanking owing to Northern bombardment from Pukow—Gen. Li Chung-jen, commander of Southern troops at Nanking having difficulty preserving discipline—Wu-Han faction decides to send reinforcements to Nanking—Japanese League to Protect Japanese Trade in China urges Government to prohibit illegal taxation in China—*Toho* report from Canton states that Gen. Li Chi-shen has not made his position clear since resignation of Chiang Kai-shek, but that various officials appointed by Gen. Chiang are expected to resign—*Toho* report from Peking states that Government has decided to leave the campaign against the Southerners to Sun Chuan-fang, permitting him to cross the Yangtsze if he desires—Also reported from Peking that Chihli-Shantung troops are advancing on Kaifeng along the Lung-Hai Railway—*Kuo Min* agency report states that no commander-in chief has been appointed since the retirement of Chiang Kai-shek and that military affairs are being handled by a Council—Joint meeting in Nanking attended by all government officials decided unanimously to request Chiang Kai-shek to return to his command; also sending delegates to Ningpo to see Chiang—*Kuo Min* Agency gives summary of conference held at Bureau of Foreign Affairs at Shanghai by Gen. Bei Tsung-chi and Chinese merchants and bankers at Shanghai in which Gen. Bei reported that the Communists in both the Wu-han and Nanking factions had been eliminated, but that despite Chiang Kai-shek's retirement, the Nanking Government was still functioning and that military operations will be continued with increased vigor—*Kuo Min* agency report states that Quo Tai-chi, Commissioner of Foreign Affairs again protested the action of the British authorities in cutting the Shanghai-Hangchow Railway and that China reserved the right to claim damages, that the airplane incident had no connection whatever with the railroad and that the 'high-handed' British action had no justification on any grounds and that the British Consul-General would have to bear the consequences of any 'unhappy occurrences' resulting from the action—Gen. Chiang Kai-shek orders the installation of a telegraph office in his home town in Chekiang where he has retired—Fengtien authorities make preparations for strong military campaign on the Peking-Hankow line against Feng Yu-hsiang—Steamship communication between Hankow and Nanking resumed—Feng Yu-hsiang orders abolition of railway administration on Kin-Han line—*Kuo Wen* dispatch from Dairen states that the Japanese are planning to present three demands in Manchuria—Chinese report claims that the Japanese have decided to withdraw the consulate they established at the town of Ninkiang in Manchuria owing to Chinese opposition—Gen. Ho Chen-chung, representative of Chiang Kai-shek in Peking, returns to Shanghai—British and Chinese at Shanghai reach agreement on airplane dispute; Chinese return plane wings and British repair railway.

August 19—Japanese steamers fired on at Nanking following occupation of Pukow by Northern troops—Japanese residents evacuated from Chinkiang owing to influx of retreating Southern troops from the North—Generals Chu Yu-puh and Sun Chuan-fang establish headquarters in Pengpu, Anhwei for purpose of continuing campaign against Southerners, but Chang Tso-ling asks them to return to Peking for conference—*Toho* report states that Soviet Mercantile Fleet has chartered several Japanese steamers for service in Far Eastern waters, Japanese attributing action to recent break of relations between Soviet and Britain—*Kuo Min* report states that Kuomintang Central Executive Committee and administrative members of Government at Nanking held meeting under chairmanship of Gen. Ho Yin-chin when it was decided to dispatch messages to Chiang Kai-shek, asking him to return to Nanking; also decided that pending Chiang's return, military affairs will be handled by military council—Central Political Council holds 122nd meeting in Nanking and decides: (1) Establish national patent bureau under direction of Li Chung-tung; (2) Adopted rules for control of Yangtsze River Commission; (3) That $300,000 be appropriated from the revenues of the Chekiang-Kiangsu opium bureau for reconstruction of Nanking—Quo Tai-chi grants permission for Japanese Aviation Society to land at Shanghai on experimental flight—*Kuo Min* report states that Dr. C. C. Wu has been appointed by Nanking to represent the Nanking Government in the preliminary conference with Hankow—*Kuo Min* issues optimistic report on military situation claiming that Feng Yu-hsiang has about captured Tsining in Western Shantung which will place him in a commanding position to menace the Fengtien front on the Tientsin-Pukow Railway—Feng Yu-hsiang appoints Gen. Chang Shu-seng as Pacification Commissioner for the Hsuchow-Haichow region—

Nationalist Government forwards check for $10,000 to widow of Dr. L. S. Smith, the medical officer of the Tientsin-Pukow Railway who lost his life in the Nanking incident—*Kuo Min* issues report that the release of the airplane wings to the British authorities was done through mistake of a Nationalist officer, who will be disciplined for failing to comply with the instructions of the local civil officials—Mr. Quo Tai-chi issues further statement on incident as well as copy of British Consul, Sir Sidney Barton's reply—Fengtien continues active preparations for offensive on Peking-Hankow line against Feng Yu-hsing—Chang Tso-ling again orders Sun Chuan-fang and Chang Chung-chang not to advance too far south owing to fear they may be cut off—Chang Chung-chang appoints Admiral Sung Hung-lieh in command of the Tsingtao squadron and immediately orders the arrest and confinement of 800 marines accused of disloyalty—*Kuo Wen* states that Chang Fa-kwei has tendered his resignation—Nationalist generals Ho Yin-chin, Bei Tsung-chi and Li Tsung-jen issue joint proclamation announcing their ability and intentions to maintain order in Nanking—Chang Chung-chang orders Gen. Chu Yu-puh in command of the offensive against Feng Yu-hsiang on the Lung-Hai Railway—Chang Tso-ling orders mobilization of his air-squadron for service on Honan front against Feng Yu-hsiang.

August 20—*Toho* report from Chinkiang states that practically all Nationalist troops have crossed to south bank of Yangtsze and no Nationalist flags are to be seen in the city—Reported that Gen. Tang Shentse and other Wu-han leaders are planning to proceed to Kiukiang for negotiations with Southerners—Mukden officials have announced levying of surtax on foreign goods of 2½ percent—Japanese residents at Nanking removed to destroyer *Hinoki* in river—British dispatch cruiser *Hawkins* with 150 marines to Nanking—American vice-consul Paxton formerly of Nanking, but recently stationed at Chinkiang, removes to gunboat—Not yet clear at Canton whether Gen. Li Chi-shen, formerly an ally of Chiang Kai-shek will cooperate with Wu-han or declare his independence—Northern troops continue bombardment of Hsiaokuan section of Nanking—Nanking receives telegram from Wang Ching-wei, Tan Yen-kai and Sun Fo stating they expect to leave Hankow for Nanking shortly for conference—Gen. Bei Tsung-chi orders China Merchants Steamship Company to resume sailings between Nanking and Hankow—Sun Fo, according to *Kuo Min* report states that Wu-han Government is sending troops immediately to reinforce the Nanking troops against the Northerners—Nanking Ministry of Finance orders customs authorities in Kwangtung, Kwangsi, Fukien, Chekiang, Anhwei and Kiangsu to begin collection of customs duties in accordance with the new schedules on Sept. 1—Nanking conference of political and military leaders decide (1) request Wu-han authorities to continue campaign against the communists (2) work for unity and fight against disharmony in the party (3) decide that in the coming reorganization the Central Kuomintang and Nationalist Government the plan must be the same as in the days previous to removal from Canton (4) Nanking and Wu-han authorities must endeaver to maintain present attitude (5) military commanders must attempt to consolidate territory south of Yangtsze as temporary measure until other revolutionary armies are in a position to join them—Reported that Y. M. Chien, vice-minister of finance of Nanking Government, has raised $1,000,000 of military funds in Shanghai—Railway communication between Hankow and Chengchow restored—Gen. Chin Yun-ao begins to move troops from Honan into Western Shantung—Chang Tso-ling moves Mukden 8th division to Peking for service in Honan campaign—Seventh Nationalist army under Li Tsung-jen now withdrawn from north bank of Yangtsze to Nanking and vicinity.

August 21—Central 'enlarged' Committee of Kuomintang at Hankow votes to transfer central headquarters to Nanking; Wang Ching-wei prepares to go to Kiukiang for Conference—Dr. C. C. Wu, minister for foreign affairs of Nan-

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king Government, leaves Shanghai for Nanking—*Toho* message from Hankow states that Wang Ching-wei, Tan Yen-kai, Cheng Chien, Tang Shen-tse, Sun Fo and Koo Meng-yu, depart for Kiukiang for conference—Important conference of Japanese industrialists, importers and exporters at Tokyo decides that 'inasmuch as the present violation of treaty provisions by China will have far reaching effects upon Japan, that the Japanese Government be advised to take proper steps to meet the situation as quickly as possible'—Gen. Liu Tso-lung commander of the 15th army at Hankow, arrested and deprived of his command because of his murder of Ken Tan, his second in command; Wu-han military council votes to abolish the 15th army—Peking Government decides that since the monthly expenditure for legations abroad cannot exceed $100,000, that Chinese legations in Switzerland, Sweden, Norway, Mexico, Peru, Cuba and Brazil be abolished—Unconfirmed reports that Hsuchowfu has been captured by the Christian General, Feng Yu-hsiang.

August 22—Sun Chuan-fang's forces claim to have captured Yangchow, located on the Grand Canal northward of Yangtsze in Kiangsu—*Toho* report claims town of Hofei, Anhwei, captured by Northerners—*Toho* claims that negotiations are now proceeding for an alliance between Nanking, Peking and Shansi against Feng Yu-hsiang—Peking military conference decides to launch general attack on Feng Yu-hsiang in Honan, but developed that Yen Hsi-shan's attitude is still unclear—Japanese report from Nanking states that Sun Chuan-fang's strength north of the Yangtsze is 50,000 with 18 pieces of artillery and 18 machine guns—Northern troops at Pukow fire on all native boats on river—Troops under Gen. Cheng Chien proceed down river from Kiukiang—Wu-han troops arrive in Anking, Anhwei, supposedly for purpose of marching northward through Anhwei with idea of attacking Sun Chuan-fang's position on the Tientsin-Pukow Railway—*Toho* report from Hankow states that manifesto issued by Wu-han Government dealing with removal of government to Nanking declares: (1) In future all members of Kuomintang must observe party rules so as to prevent further splits in party; (2) Since split in Kuomintang has enabled a strengthening of the Northern militarists, this constitutes the greatest menace of the revolutionary movement, hence the fight must be continued against the imperialists and the militarists; (3) Fight must also be continued against the communists; (4) Military elements in the Kuomintang must subject themselves to the rule of the party—Chang Chung-chang, tupan of Shantung arrives in Peking for conference with Chang Tso-ling—Nanking Government issues mandate to effect that in future all foreign affairs of the government must be centralized in the Ministry of Foreign Affairs, since division of authority offers opportunities for "scheming imperialists"—*Kuo Min* news agency announces that Gen. Bei Tsung-chi has been made defense commissioner of Shanghai area and issues proclamation stating that owing to past abuses, no governmental authorities are to be permitted to make arrests without authority of Commissioner—Gen. Chow Feng-chi made chairman of Chekiang provisional government committee and following new members added: Chong Sung-fu, Chen Tsi-chen and Gen. Sze Lieh—*Kuo Min* report from Nanking claims that Feng Yu-hsiang's forces have captured Hsuchowfu—Further Nanking report claims that Gen. Loh Chun-lin, subordinate of Feng has defeated the Shantung troops under Gen. Chang Ching-yao, capturing 12 trench mortars, 6,000 rifles and scores of machine guns with many prisoners including two regimental commanders and several hundred petty officers—In order to provide the Japanese with no further excuse for keeping troops in Shantung, C. C. Wu, minister of foreign affairs has sent to General Tanaka, Japanese premier a written guarantee from the Nationalist Government that no Japanese subjects will be molested in future—C. C. Wu departs for Kiukiang—Sun Chuan-fang begins enlistment of two new divisions of troops—Yen Hsi-shan denies reports that he has withdrawn his troops from the Peking-Hankow line—Wu Chin, vice-minister of foreign affairs at Peking again tenders his resignation—Peking Finance Ministry announces issuance of $5,000,000 in treasury bonds for military purposes.

H. B. Campbell

14 Foochow Road,

Shanghai.

New Books of Interest in the Far East

America's "Colony" in the Far East

The Philippines—A Treasure And A Problem, by Nicholas Roosevelt. New York: J. H. Sears & Co. Inc.

This book contains a very sane discussion of the problem of the Philippines. The author is a careful observer and has presented the facts in regard to the present situation in the Islands in a clear and forcible manner.

He frankly recognizes that this dependency may be considered "a white elephant," but at the same time shows that it is that largely on account of our own mistakes, and that it might become a rich treasure.

He is of the opinion that we Have been too largely influenced by idealistic sentimentalism, and have granted a larger measure of self-government to the Filipinos than they are competent to exercise wisely.

Our constant declaration that we were prepared to give them entire independence as soon as they were ready for it, has had a most unsettling influence and has resulted in constant political agitation.

Over against the idealistic sentimentalism, he places the real conditions of the people of the Island,—their lack of racial and religious unity, the hostility between the Christian Filipinos and the non-Christian tribes, the great percentage of illiteracy, their inexperience in the principles of self-government, and the absence of a sound economic foundation, and he draws the conclusion that they will not be ready for complete indpendence for several generations.

During the past twenty-five years only a beginning has been made in the way of the elevation of the people. Our experiment in education has not been a complete success, and has not come up to our expectations. The Monroe Educational Survey conducted in 1925 pointed out its weak spots and advocated its being less academic and more based on the economic needs of the people.

Dr. Victor G. Heiser as head of the Department of Public Health accomplished a wonderful piece of work, but was much hampered by want of funds and the absence of public opinion in support of his measures.

The great industrial development of the Islands awaits the income of capital. There is no doubt but that the United States could obtain all the tropical products it needs from the Philippines, but capitalists are chary in regard to investing money in rubber plantations and in other ways until they know what the political future of the Islands is to be.

Mr. Roosevelt does not believe that we can solve our problem by giving the Filipinos their independence and establishing a protectorate over the Islands, as this might lead to awkward situations. As he very truly says, "responsibility without authority" is an impossible policy.

The abandonment of our task in the Philippines would not only lead to chaos in the Islands themselves, but would have far reaching consequences on the peace of the Pacific. The geographic situation of the Islands makes them stepping stones between the Dutch East Indies and Australia. In the possession of some Power other than the United States no one can say what conflicts might arise in the Pacific.

The following conclusion at which the author arrives sums up very forcibly the change of policy that is necessary if we are to make a success out of our administration of the Philippines:

> "We have never had a Colonial policy for the reason that until the Spanish war our Colonies were always within our own Continent, and were quickly transformed into territories, and then absorbed into the Union. As a result we have never been Colonial minded and have never understood that the responsibilities of overseas possessions cannot be lightly shuffled off, and that to discharge them properly requires a different point of view from that which our local politicians have shown heretofore.
>
> "As we begin to appreciate the Philippine problem better we shall see that a new relationship will have to be established based more on the experience of other nations in administering territories overseas than on our traditional conceit that the republican form of government fits all needs. Till that day arrives we must give our representatives in the Istands sufficient authority to bear their responsibilities effectively."

Shanghai. August 21, 1927.

F. L. Hawks-Pott

PHYSICAL EDUCATION IN CHINA

BY GUNSON HOH

Physical Director,
Tsing Hua College, Peking
In English. Price, $2 Mex.

This volume is a comprehensive treatment of the development of physical education in China, with chapters on the historical background, Chinese exercises and games, and the development of modern physical education through China's contact with the West and her promotion of athletic activities and organizations. There is a chapter on the future physical welfare of the Chinese people with due space given to a discussion of hygiene.

The book has introductions by Dr. David Z. T. Yui and Dr. Y. S. Tsao. Photographs and cuts are supplied in abundance. At the end of the volume are published about sixty recent records of games ranging from world's championships to middle school athletic meets.

THE COMMERCIAL PRESS, LTD., PUBLISHERS

Shanghai and Other Cities

In the United States Court for China

In re Estate of	Cause No. 2961
HENRY ALFRED CARLETON EMERY	Estate No. 458
Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of HENRY ALFRED CARDETON EMERY, deceased, to present the same with vouchers to the undersigned on or before December 4, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

FRANCESE ADELENE DIANTHEA EMERY
EXECUTRIX
c/o Messrs. Fleming & Allman
Yokohama Specie Bank Building
Shanghai, China.

Latest New York Stock Exchange Quotations

Aug. 24. Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Steady. Business Done 2,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	154⅜	157¼
American Can (Common)	60	62
American Radiator (Common)	136¼	136
Amer. Smelting & Refining (Common)	166½	171
American Telephone & Tel. (Common)	168⅞	169⅝
American Tobacco "B"	142⅞	142½
Baldwin Locomotive Co. (Common)	258	258¾
Bethlehem Steel (Common)	62⅛	64⅝
Bethlehem Steel, Pfd. 7%	115⅜	117½
Baltimore & Ohio (Common)	120⅝	120¼
Continental Can (Common)	74⅛	75⅝
Cheasapeake & Ohio (Common)	192½	192¾
Eastman Kodak Co. (Common)	166¾	168⅜
General Baking "A"	69	69⅜
General Electric (Common)	127⅞	128
General Motors (Common)	227⅛	218¾
Goodrich (B.F.) Co. (Common)	68	70¼
International Match, Pfd.	72	72½
International Nickel (Common)	66⅞	68½
Ligget & Myers, Class "B"	117¾	118¼
Mack Trucks (Common)	99½	98¼
New York Central (Common)	155⅜	155¾
Packard Motor Car Co. (Common)	38⅝	41⅛
Phillips Petroleum (Common)	44⅝	43¾
Pacific Gas & Electric	38½	39⅞
Radio Corp. of America (Common)	65	66¾
Reynolds Tobacco, Class "B"	137⅛	136½
Standard Gas & Electric (Common)	62½	62⅞
Schulte Retail Stores (Common)	55¾	55½
Southern Pacific (Common)	121	122⅜
Standard Oil of California	55⅝	55
" " of New Jersey	39	39
" " of New York	31¾	31¼
" " of Indiana	73	71⅝
Texas Corporation (Common)	49¼	49⅜
Tobacco Products (Common)	100	99½
Union Carbide	137¼	138
Union Pacific RR. (Common)	188¾	189⅞
United Fruit	136	136
United Drug (Common)	171	171½
United States Rubber (Common)	50¼	48½
United States Realty & Imp.	64½	66

American Gold Bond Qoutations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Aug. 11th	Sale Price Aug. 18th	Approx. Yield to Maturity Aug. 18th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	107⅞	108	7.30
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	105¾	106	6.90
Chile S. F. Loan.....	7	Nov. 1, 1942	101⅜	101¼	6.85
Argentine Ext. S. F. Loan.....	6	May. 1, 1960	100	99⅞	6.00
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	95⅛	95⅛	7.40
Austrian S. F. G. Loan..	7	June 1, 1943	103	102⅛	6.75
French Ext. S. F. Loan	8	Sep. 15, 1945	112¼	112¼	6.80
Japanese Govt. (£).....	5	1907/1947	83	82⅝	6.55
German Govt. S. F. Loan	7	Oct. 1, 1949	107¼	107¼	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101½	101⅛	6.85
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	102½	102½	6.75
German G. E. C. S. F. Loan.....	7	Jan. 15, 1945	105¼	104⅞	6.55
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	98¾	99½	6.55
Chicago Rapid Transit 1st. & Refunding Mtge.	6¼	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100⅛	100⅞	7.40
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100⅜	100¾	6.90
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	97	97	7.22
Victor Talking Machine Company Cum. Prior	7	Pfd. Stock	97½	97¼	7.20
Willys Overland Co.....	7	Pfd. Stock	90	92	7.61
The National City Bank of New York.....	20	Stock	615	615	3.25

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, August 24, 1927

By Maitland, Fearon and Brand

Exchange:—Today's quotation for Bar Silver in London is 25 3/16d. ready and forward: this price shows a rise of 1/16d. in the spot price as compared with that ruling this day last week, while the forward rate remains unchanged. The official T/T rate on London is 1/4d. lower @ 2/5 1/4d. The exchange market is very quiet with no special feature attaching to it. The tone of the market at the close of today's business is steady, but silver advices are not too strong. The following rates for Gold remittances near delivery are available:—T/T London 2/5 8/8d., New York 60 Yen 79 1/4. 4 m/s export paper can be placed as follows:—Sterling 2/6 7/16d. G. $ 61 3/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 56,579,000 a decrease of Tls. 190,000

Chinese and Mexican Dollars..... $ 87,860,000 a decrease of $ 540,000

Estimated value Tls. 119,838,000 as against Tls. 126,934,000 held at this time last year.

	Average rates for July	Thursday Aug. 18	Friday Aug. 19	Satur. Aug. 20	Monday August 22	Tuesday Aug. 23	Wednesday Aug. 24
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6 1/2	2/5 1/8	2/5 1/2	2/5 1/2	2/5 1/4 2/5 1/4	2/5 1/4	2/5 1/4
					2/5 9/16 2/5 6/16		
D/Dfts ,,	—	2/5 9/16	2/5 9/16	2/5 9/16		2/5 5/8	2/5 5/16
4 m/s ,,	—	2/5 3/4	2/5 3/4	2/5 3/4	2/5 3/4 2/5 1/2	2/5 1/2	2/5 1/2
T/T India	170.208	165	165	165	165 163 1/8	163 1/4	163 1/4
T/T France	1.575.000	1525	1525	1525	1525 1510	1510	1510
T/T N. Y.	61.750	59 3/8	59 3/8	59 3/8	59 1/4 59 1/8	59 1/8	59 1/8
T/T Demand		60 1/8	60 1/8	60 1/8	60 1/8 60 3/8	59 3/8	59 3/8
T/T Hamburg		251	251	251	251 249	249	249
T/T H'kong	78.990	80 1/4	80 1/4	80 1/4	80 1/4 80 1/4	80 1/8	80 1/8
T/T Japan	76.318	79 1/4	79 1/4	79 1/4	79 1/4 80	80	80 1/8
T/T Batavia	153.490	148 1/2	148 1/2	148 1/2	148 1/2 147 1/4	174 1/4	174 1/2
T/T Straits	91.250	94 1/4	94 1/4	94 1/4	94 1/4 95	95	95
Bk's buying rates 4 m/s B/L. Cred./D/A	2/8 1/2	2/7 1/2	2/7 1/2	2/7 1/2	2/7 1/2 2/7 1/4	2/7 1/4	2/7 1/4
4 m/s ,, D/P	—	2/7 5/8	2/7 5/8	2/7 5/8	2/7 5/8 2/7 3/8	2/7 3/8	2/7 3/8
6 m/s ,, B/L Cred D/A	2/8 1/16	2/7 1/16	2/7 1/16	2/7 1/16	2/8 1/16 2/7 9/16	2/7 9/16	2/7 9/16
4 m/s B/F Cred D/A or D/P	1.705.000	1655	1655	1655	1655 1640	1640	1640
4 m/s N.Y.Lc.	65.250	63 1/4	63 1/4	63 1/4	63 1/4 62 3/4	62 3/4	62 1/4
4 m/s ,, Docs	—	63 3/4	63 3/4	63 3/4	63 3/4 63 1/2	63 1/4	63 1/4

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Aug. 18	Aug. 19	Aug. 20	Aug. 22	Aug. 23	Aug. 24
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25 1/2	25 1/4	25 1/8	25	24 15/16	25 3/16
**New York Price of Bar Silver per oz. (Pure)	G. $.54 5/8	G. $. 54 3/8	G. $. 54 1/2	G. $. 54 1/4	G. $.54 1/8	G. $.54 3/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 384.00	Tls. 384.10	Tls. 387.10	Tls. 387.10	Tls. 386.00	Tls. 386.70
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.80	110.90	110.90	110.00	110.80
Shanghai Mexican Dollars per $100....	72.45	72.4	72.425	72.425	72.3875	72.375
Native Bank Rate of Interest (Call money).....	2%	2 1/2%	2%	2 1/2%	3%	3%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4 1/2%	London Paris on	T/T 124.00
Bank of France rate of discount	5%	New York on London	T/T 486 1/8
London open Market of Dis. 3 m/s	4 3/8%	Bombay on London	T/T 1/5 1/16
,, 4 ,,	4 5/8%	Hongkong on London	T/T 1/11 1/2
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/11 3/8